

8854. Also, petition presented at the request of members of the Wesleyan Service Guild of the Methodist Episcopal Church of White Plains, N. Y., urging the establishment of a Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

8855. By Mr. NIEDRINGHAUS: Petition of 23 citizens of St. Louis, transmitted by the St. Louis Woman's Christian Temperance Union, protesting against the passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8856. By Mr. RICH: Petition from the Woman's Christian Temperance Union of Salladasburg, Pa., protesting against any change in the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

8857. By Mr. ROBINSON: Petition signed by Eva Landgraf, 617 Lime Street, and several other citizens of Waterloo, Iowa, protesting against the proposed legislation taking away from the veterans the disability allowance for non-service-connected disability; to the Committee on World War Veterans' Legislation.

8858. Also, petition signed by Edith Ward and 16 other Lamont, Iowa, citizens, urging the passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Census.

8859. By Mr. RUDD: Petition of Colonial Daughters of the Seventeenth Century, Brooklyn, N. Y., favoring appropriations to continue the present training schedules and activities of the National Guard, Organized Reserves, Reserve Officers' Training Corps, citizens' military training camps, and the national rifle matches; to the Committee on Appropriations.

8860. Also, petition of C. L. Poole & Co. (Inc.), New York City, favoring the repeal of the agricultural marketing act; to the Committee on Agriculture.

8861. Also, petition of John H. Baker, New York City, favoring revision of the so-called war debts; to the Committee on Ways and Means.

8862. By Mr. SUMMERS of Washington: Petition signed by Mrs. A. L. Tefft and 14 others, of Pomeroy, Wash., urging support of Senate bill 1079 and Senate Resolution 170, relative to the establishment of a Federal motion-picture commission, etc.; to the Committee on Interstate and Foreign Commerce.

8863. Also, petition signed by Nettie D. Maltby and 18 others, of Selah, Wash., urging support of Senate bill 1079 and Senate Resolution 170, relative to the establishment of a Federal motion-picture commission, etc.; to the Committee on Interstate and Foreign Commerce.

8864. By Mr. SUTPHIN: Petition supporting Senate bill 1079, on the Senate Calendar, and Senate Resolution 170, now before the Interstate Commerce Committee; to the Committee on Interstate and Foreign Commerce.

8865. Also, petition supporting Senate bill 1079, on the Senate Calendar, and Senate Resolution 170, now before the Interstate Commerce Committee; to the Committee on Interstate and Foreign Commerce.

8866. By Mr. SWICK: Petition of Mrs. Thomas L. Berger, R. F. D. 1, Ellwood City, Pa., and 32 members of the Happy Hour Class, Slippery Rock Church, opposing all legislation to legalize manufacture and sale of beer or light wines; to the Committee on Ways and Means.

8867. By Mr. TARVER: Petition of Mrs. M. Benton and 20 other citizens of Cave Spring, Ga., opposing the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8868. Also, petition of Mrs. Paul Wright and a number of others, of Rome, Ga., opposing the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8869. By Mr. KELLY of Pennsylvania: Petition of citizens of Tarentum, Pa., protesting against changes in the eighteenth amendment; to the Committee on the Judiciary.

8870. By Mr. WYANT: Petition of Mrs. J. A. Conway, western director, American Legion Auxiliary, representing 55 units, comprising 6 counties in western Pennsylvania, protesting against legislation sponsored by so-called Economy League and like agencies tending to deprive war veterans of relief, care, and hospitalization; to the Committee on Ways and Means.

8871. Also, petition of Mrs. J. A. Conway, president Unit 240, the American Legion Auxiliary, Scottdale, Pa., representing 100 members, urging defeat of any measure of economy which would materially affect widows and orphans of veterans and disabled veterans of our national defense; to the Committee on Ways and Means.

8872. By the SPEAKER: Petition of citizens of Missouri, protesting against any change in the present prohibition laws; to the Committee on the Judiciary.

SENATE

TUESDAY, DECEMBER 13, 1932

(Legislative day of Thursday, December 8, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

J. HAMILTON LEWIS, a Senator from the State of Illinois, appeared in his seat to-day.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal of Thursday, December 8, Friday, December 9, and Monday, December 12.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

CREDENTIALS

The VICE PRESIDENT laid before the Senate the credentials of PETER NORBECK, chosen a Senator from the State of South Dakota for the term beginning on the 4th day of March, 1933, which were ordered to be placed on file and to be printed in the RECORD, as follows:

UNITED STATES OF AMERICA,
STATE OF SOUTH DAKOTA.

CERTIFICATE OF ELECTION

This is to certify that on the 8th day of November, 1932, at a general election held throughout said State, PETER NORBECK was duly chosen by the qualified electors of the State of South Dakota to the office of United States Senator for the term of six years, beginning on the 4th day of March, 1933.

In witness whereof I have hereunto set my hand and caused the seal of said State to be affixed at Pierre, the capital, this 8th day of December, 1932.

WARREN GREEN, Governor.

By the governor:
[SEAL.]

ELIZABETH COYNE, Secretary of State.

Mr. ASHURST. Mr. President, I present the certificate of election of Hon. CARL HAYDEN, Senator elect from the State of Arizona, and ask that it be printed in the RECORD and placed on file.

The certificate of election was ordered to be placed on file, to accompany credentials laid before the Senate by the Vice President on the 7th instant, and to be printed in the RECORD, as follows:

STATE OF ARIZONA,
OFFICE OF THE SECRETARY.

UNITED STATES OF AMERICA,

State of Arizona, ss:

I, Scott White, secretary of state, do hereby certify that the official canvass of the returns of the votes cast at the general election held on Tuesday, November 3, 1932, in the State of Arizona, as certified to by the boards of supervisors of the several counties, show that CARL HAYDEN, a candidate on the Democratic ticket for United States Senator, was the candidate receiving the highest number of votes cast for this office, and having complied with all provisions required by law for candidates is therefore declared elected and entitled to hold this office, all of which is shown by the original records on file in this department.

In witness whereof I have hereunto set my hand and affixed my official seal. Done at Phoenix, the capital, this 28th day of November, A. D. 1932.

[SEAL.]

SCOTT WHITE,
Secretary of State.

SIX-HOUR DAY FOR RAILWAY EMPLOYEES

The VICE PRESIDENT laid before the Senate a letter from the acting chairman of the Interstate Commerce Commission, transmitting, pursuant to Public Resolution No. 13, Seventy-second Congress, approved March 15, 1932, a report of the investigation of the commission in re the effect upon operation, service, and expenses of applying the principle of a 6-hour day in the employment of railway employees, which, with the accompanying report, was referred to the Committee on Interstate Commerce and ordered to be printed.

REPORT OF THE COMPTROLLER OF THE CURRENCY

The VICE PRESIDENT laid before the Senate a letter from the Acting Comptroller of the Currency, submitting, pursuant to law, the text of the annual report of the Comptroller covering the activities of the Currency Bureau for the year ended October 31, 1932, which, with the accompanying report, was referred to the Committee on Banking and Currency.

REPORT OF THE DAUGHTERS OF THE AMERICAN REVOLUTION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the thirty-fifth annual report of the National Society of the Daughters of the American Revolution for the year ended April 1, 1932, which, with the accompanying report, was referred to the Committee on Printing.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 40) to provide for the printing of additional copies of the hearings held before the Committee on Ways and Means of the House of Representatives on House Joint Resolution 123, relating to moratorium on foreign debts, was referred to the Committee on Printing.

DESTRUCTION OF USELESS PAPERS

Mr. SMOOT. Mr. President, the Secretary of the Treasury sent to the Congress a communication requesting that certain papers which are not needed in the transaction of public business and which have no permanent value may be destroyed. On the 6th instant the papers were referred to a special joint committee on the disposition of useless papers in the Treasury Department. The committee recommends the granting of the request of the Secretary of the Treasury with reference to the destruction of the papers.

The VICE PRESIDENT. That order will be entered.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Clerk will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

Ashurst	Couzens	Johnson	Robinson, Ark.
Austin	Cutting	Kean	Robinson, Ind.
Bailey	Dale	Kendrick	Schall
Bankhead	Davis	Keyes	Schuyler
Barbour	Dickinson	King	Sheppard
Barkley	Dill	La Follette	Shipstead
Bingham	Fess	Lewis	Shortridge
Black	Frazier	Logan	Smoot
Blaine	George	Long	Steiwer
Borah	Glass	McGill	Swanson
Bratton	Glenn	McKellar	Thomas, Okla.
Broussard	Goldsbrough	McNary	Townsend
Bulkley	Gore	Metcalf	Trammell
Bulow	Grammer	Moses	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Nye	Walcott
Carey	Hatfield	Oddie	Walsh, Mass.
Cohen	Hawes	Patterson	Walsh, Mont.
Connally	Hayden	Pittman	Watson
Coolidge	Howell	Reed	White
Costigan	Hull	Reynolds	

Mr. BYRNES. I wish to announce that my colleague [Mr. SMITH] is necessarily absent, owing to the death of a relative.

Mr. WAGNER. I desire to announce that my colleague [Mr. COPELAND] is absent to-day because of serious illness in his family.

Mr. TRAMMELL. I desire to announce that my colleague the senior Senator from Florida [Mr. FLETCHER] is necessarily detained from the Senate. I will let this announcement stand for the day.

Mr. SHEPPARD. I wish to announce that the junior Senator from Mississippi [Mr. STEPHENS] is detained by reason of illness.

I also wish to announce that the junior Senator from Montana [Mr. WHEELER] is necessarily detained from the Senate.

Mr. METCALF. I desire to announce that my colleague [Mr. HEBERT] is unavoidably detained.

Mr. LA FOLLETTE. I desire to announce that the Senator from Iowa [Mr. BROOKHART] is necessarily absent by reason of illness.

Mr. WALSH of Montana. I desire to announce that my colleague [Mr. WHEELER] is necessarily detained from the Senate by illness.

The PRESIDING OFFICER (Mr. FESS in the chair). Eighty-seven Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

Mr. BARBOUR presented petitions of the Woman's Home Missionary Society of Dunellen; the Woman's Home Missionary Society of the Methodist Church of Westwood; and the Evening Auxiliary of the Woman's Home Missionary Society of the Methodist Episcopal Church of Ocean Grove, all in the State of New Jersey, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented petitions of St. Paul's Auxiliary of the Woman's Home Missionary Society of Atlantic City; the Ladies' Auxiliary, Methodist Church, of Ridgewood; and the Woman's Home Missionary Society of St. James Methodist Episcopal Church, of New Brunswick, all in the State of New Jersey, praying for the passage of legislation providing for the supervision and regulation of the motion-picture industry, which were ordered to lie on the table.

Mr. CAPPER presented petitions of the Woman's Home Missionary Society of Attica; the Woman's Home Missionary Society of Caldwell; the Woman's Home Missionary Society of the Methodist Episcopal Church of Council Grove; the Woman's Home Missionary Society of Rice; the Woman's Home Missionary Society of Stockton; and the Woman's Home Missionary Society of Talmage, all in the State of Kansas, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented memorials, numerous signed, of sundry citizens of Fredonia, Highland, and Dickinson County; the Antelope Woman's Home Missionary Society of the Methodist Episcopal Church, of Junction City; and members of the Allen County Enforcement League, all in the State of Kansas, remonstrating against the repeal of the eighteenth amendment of the Constitution or the modification of the national prohibition law, which were referred to the Committee on the Judiciary.

REPORT OF THE COMMITTEE ON PRINTING

Mr. SHIPSTEAD, from the Committee on Printing, to which was referred the concurrent resolution (H. Con. Res. 40) to provide for the printing of additional copies of the hearings held before the Committee on Ways and Means of the House of Representatives on House Joint Resolution 123, relating to moratorium on foreign debts, reported it without amendment.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

Mr. JOHNSON. Mr. President, I ask unanimous consent to introduce a bill, at the request of the War Department, and have it referred to the Commerce Committee.

The PRESIDING OFFICER (Mr. Fess in the chair). The bill will be received and so referred.

By Mr. JOHNSON:

A bill (S. 5167) in reference to land in the Bonnet Carre floodway area; to the Committee on Commerce.

By Mr. BARBOUR:

A bill (S. 5168) for the relief of John Henry Tackett; to the Committee on Claims.

By Mr. HALE:

A bill (S. 5169) granting an increase of pension to Charlotte W. Stevens (with an accompanying paper); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 5170) to regulate the importation of milk and cream and milk and cream products into the United States for the purpose of promoting the dairy industry of the United States and protecting the public health; to the Committee on Agriculture and Forestry.

By Mr. PATTERSON:

A bill (S. 5171) authorizing and directing the Secretary of the Interior to enroll on the tribal rolls of the Choctaw and Chickasaw Nations all Choctaw and Chickasaw claimants whose names appear in the citizenship cases herein-after mentioned and who were duly and legally enrolled by the Federal court, and the heirs now living of all such claimants, born prior to the closing of said tribal rolls by an act of Congress; to the Committee on Indian Affairs.

By Mr. ROBINSON of Indiana:

A bill (S. 5172) to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, and acts in amendment thereof; to the Committee on Education and Labor.

A bill (S. 5173) granting a pension to Ellen Mullis Baker (with accompanying papers);

A bill (S. 5174) granting a pension to Frank Burcham (with accompanying papers);

A bill (S. 5175) granting a pension to Amos B. Poling (with accompanying papers); and

A bill (S. 5176) granting an increase of pension to Ida A. McDowell (with accompanying papers); to the Committee on Pensions.

By Mr. REED:

A bill (S. 5177) to authorize the appointment of Harrison Schermerhorn Markham as second lieutenant in the Regular Army; to the Committee on Military Affairs.

By Mr. HAYDEN:

A bill (S. 5178) granting a pension to Lewis G. Simpson; to the Committee on Pensions.

By Mr. MCGILL:

A bill (S. 5179) granting a pension to Robert W. Vawter; to the Committee on Pensions.

By Mr. McNARY:

A joint resolution (S. J. Res. 214) authorizing a further modification of the adopted project for the Columbia and Lower Willamette Rivers, between Portland, Oreg., and the sea; to the Committee on Commerce.

INVESTIGATION OF RENTAL CONDITIONS IN THE DISTRICT

Mr. CAPPER submitted the following resolution (S. Res. 302), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution No. 248, agreed to June 27, 1932, authorizing and directing the Committee on the District of Columbia, or a duly authorized subcommittee thereof, to investigate rental conditions in said District of Columbia and to report the results of same, with recommendations, to the Senate not later than December 15, 1932, hereby is continued and extended in full force and effect until January 10, 1933.

POSITIONS NOT UNDER THE CIVIL SERVICE

Mr. McKELLAR submitted the following resolution (S. Res. 303), which was ordered to lie on the table:

Resolved, That the Civil Service Commission be, and it is hereby, directed to furnish the Senate with a full and complete list of all offices, positions, places, and employments, listing the same by departments, bureaus, boards, commissions, and independent establishments, including the government of the District of Columbia, unofficial observers, special attorneys or special agents, and Federal employments of all kinds, with the amount of salaries of each attached, under the Government of the United States and not under civil-service rules and regulations.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 503) authorizing the payment of salaries of the officers and employees of Congress for December, 1932, on the 20th day of that month, and it was signed by the Vice President.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

STUDY OF BATTLEFIELDS IN THE UNITED STATES

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Military Affairs:

To the Congress of the United States:

In accordance with the provisions of section 2 of the act of June 11, 1926, I transmit herewith for the information of the Congress the report of the Secretary of War of progress made under said act, together with his recommendations for further operations.

HERBERT HOOVER.

THE WHITE HOUSE, December 13, 1932.

DEPORTATION OF SO-CALLED BONUS MARCHERS

Mr. McKELLAR. Mr. President, on yesterday I introduced a resolution (S. Res. 301) and asked that it be printed and lie on the table. As it calls for an expenditure of money, it requires action by the Committee to Audit and Control the Contingent Expenses of the Senate. Therefore, the resolution will have to go to that committee. I ask unanimous consent that it may be referred to that committee.

Mr. McNARY. Mr. President, has the standing committee which has jurisdiction reported on the proposal?

Mr. McKELLAR. No. This is a Senate resolution, and it was not referred to a standing committee. It asks for the appointment by the Vice President of a special committee, and naturally it would not go to a standing committee.

The PRESIDING OFFICER (Mr. La Follette in the chair). May the Chair suggest that the Senator from Tennessee could accomplish the purpose he has in mind if he would ask unanimous consent that notwithstanding the provision of the rule the resolution be referred directly to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. McKELLAR. Very well; I will make that request.

The PRESIDING OFFICER. Is there objection?

Mr. BINGHAM. Mr. President, I hope the Senator will let the resolution go to the Committee on the District of Columbia. I am not a member of that committee.

Mr. McKELLAR. Let it go to the Committee to Audit and Control the Contingent Expenses of the Senate, and we can discuss that question afterwards.

Mr. BINGHAM. May I say to the Senator that usually the Committee to Audit and Control the Contingent Expenses of the Senate reports resolutions out for immediate action without reference to their merits.

Mr. McKELLAR. I do not think this resolution would go to the District Committee. I have my doubts about whether it would go to that committee.

Mr. FESS. Mr. President, will the Senator yield?

Mr. McKELLAR. Yes.

Mr. FESS. I did not get the full force of the resolution.

Mr. McKELLAR. This is the resolution which I introduced yesterday, seeking the appointment by the Vice President of a special committee of five Senators to investigate the so-called riot in connection with the expulsion from Washington of the ex-service men last summer.

Mr. FESS. The Senator will recall that the rule adopted recently would require that kind of a resolution to go to the standing committee, which would be the District of Columbia Committee.

Mr. BINGHAM. It might be the Committee on Military Affairs, since it concerns the Army.

Mr. FESS. It might. The Committee to Audit and Control the Contingent Expenses of the Senate can not pass on the merits of any of these matters.

Mr. McKELLAR. No; all that the Committee to Audit and Control the Contingent Expenses of the Senate can do is to furnish the money for the investigation.

Mr. FESS. That is all we could do.

Mr. McKELLAR. That is all that can be done. My purpose was to bring it up in the Senate itself.

Mr. FESS. As a member of the Committee to Audit and Control the Contingent Expenses of the Senate, it seems to me the resolution involves some question which ought to be discussed before a standing committee before it comes to our committee. I wish the Senator would let it go to a regular committee—either committee he may suggest.

Mr. BINGHAM. Will not the Senator let it go to the Committee on Military Affairs?

Mr. McKELLAR. No; I believe I will amend my resolution by striking out the provision for the appropriation, for the present, and let it lie on the table as it is; and I shall call it up to-morrow.

FUNERAL EXPENSES OF THE LATE SENATOR JONES

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 294, submitted by Mr. DILL on the 7th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. Wesley L. Jones, late a Senator from the State of Washington, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

FUNERAL EXPENSES OF THE LATE SENATOR WATERMAN

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 295, submitted by Mr. COSTIGAN on the 7th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. Charles W. Waterman, late a Senator from the State of Colorado, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

MARY F. M'GRAIN

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 296, submitted by Mr. WARSON on the 7th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1932, to Mary F. McGrain, widow of John J. McGrain, late the Deputy Sergeant at Arms and Storekeeper of the Senate, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

PROBLEMS BEFORE THE SHORT SESSION OF CONGRESS

Mr. SWANSON. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the problems before the present session of Congress delivered by the Senator from Arkansas [Mr. ROBINSON] during the National Radio Forum, arranged by the Washington Star and broadcast over a National Broadcasting Co. network on Monday night, December 12.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SOME OF THE PROBLEMS BEFORE THE SHORT SESSION OF CONGRESS

There is no one within the sound of my voice who is not concerned in quickening the return of prosperous conditions.

The one all-absorbing question is, How may deprivation be ended and the shadow of suffering which darkens the whole landscape be dispelled? The country, through the mandate expressed so overwhelmingly at the polls in November, has turned to the Democratic Party for guidance touching measures and methods of a political character designed to aid in recovery. The faith expressed by the electors imposes a responsibility, an obligation, which must be promptly considered, sanely weighed, and adequately discharged.

The remedy for existing economic conditions does not rest entirely in legislative enactments. The application and enforcement of existing laws, the direction which administrative agencies take, and the coordination of effort in the various branches of the Government must be made to contribute to that kind of national control which is essential to the creation of confidence and the restoration of healthy general conditions.

The American people as a whole are profoundly interested in the wise and quick removal of the causes which have brought depression. The Democratic Party, through its platform and its candidates, impressed the American people that it was best fitted for this task. The platform and the candidates were equally frank in the declaration of policies. It now becomes the task of the legislative bodies to carry out these pledges. The first step has been taken by a conference of Democratic Senators through the formulation of a program, the general features of which were unanimously agreed to.

Everyone who understands the fundamental principles of our Government recognizes the necessity for compromises as to conflicts of opinion when one branch of the Congress is Democratic and at the same time the other and the executive departments are controlled by the party in opposition. To dispose of the program referred to during the short session will prove a very difficult task. The details pertaining to the requisite measures will provoke differences of opinion among those who are in accord as to general purposes. Quite naturally one charged with responsibility for the coordination of efforts touching legislative proceedings in the immediate future is moved by anxiety for the success of the undertaking. If time does not permit of the completion of this program between now and the 4th of March, it will be vigorously pressed when the new Congress in which Democratic control is assured becomes dominant. It is fundamental that the remedies which may be proposed and enacted under the new mandate of the people will not have magic powers and clear away overnight the clouds of adversity which have brought us all under the shadow of despair and distress. Let it be understood that opportunity must be given for them to become effective. The ailment from which our affairs have been and are still suffering is too severe to be cured at once, even though the best remedies discoverable are prescribed.

RETRENCHMENT

In spite of the passage last session of an internal revenue act which added many new and some quite vexing forms of taxes, due to the continued shrinkage in the Government income because of the paralysis of business, additional efforts to establish a proper relation between Government revenues and costs seem imperative. All plans in contemplation look first to substantial reductions in the Budget. This in normal times is exceedingly difficult because of the unwillingness of influential groups to look at the problem as a whole and to accept changes and inconveniences which sound business principles require. In times of general unemployment, when millions are impoverished because of inability to secure the opportunity to engage in remunerative labor, it becomes necessary to use public funds to prevent widespread suffering and misery. Advances for such purposes must be made from the Federal Treasury when the burden on charity and local government agencies threatens to become overwhelming so that the task before the Congress of maintaining the national credit is augmented by the additional obligation of providing amounts indispensable to the national safety and welfare. In all likelihood before the present winter closes the \$300,000,000 provision in the emergency relief bill of last session will appear inadequate and call for supplemental sums, the exact amount of which can not just now be anticipated.

Everyone agrees that the Federal Government should economize and retrench as an abstract proposition. It is when details as to methods are to be worked out and adopted that differences of opinion arise, so deep-seated and far-reaching as to threaten failure in the accomplishment of ends commensurate with generally accepted standards of reform. The undertaking, it must be understood, is not alone to balance the Budget. It is also to

find large amounts not embraced in the Budget which everyone familiar with the state of the Union realizes may be essential to proper functioning.

Furloughs and salary cuts may aid, but they can not be regarded as adequate. The consolidation and abolishment of bureaus contemplated by the President's recent message, with such deletions and enlargements as the legislative department may approve, will not make up the aggregate which must be lopped from the current cost of the National Government if the Budget is to be balanced and even meager provision is to be made for the destitute and needy. Even if suggestions for repealing non-service-connected disability benefits for veterans should prevail—and this will encounter well organized and powerful resistance—there will be necessity to authorize the levying of more revenues than are now in prospect under existing laws.

BEER TAX

Some have advocated a tax on beer as a practical method of adding to the Government's income. Any tax of this nature, to be fruitful, must be preceded or accomplished by changes in the Volstead Act, increasing the alcoholic content of beer within the constitutional limits. There has been no authoritative definition of what actually constitutes "intoxicating beverages" with respect to beer. A substantial increase is possible without coming in conflict with the eighteenth amendment; but the amount of the increase which is so permissible has not been definitely decided upon.

The question has also arisen as to the amount of revenue which such a tax will yield. In no sense claiming expert knowledge on the subject, one may be justified in saying that it probably will be much less than many proponents of the beer tax have claimed, but it certainly will be substantial. Without doubt it will add materially to the effectiveness of efforts to overcome the deficit. No one fairly can assert that a beer tax alone will make up the requirements of the National Treasury unless there should come a marked, and it may be said, somewhat unexpected revival of business and increase in earnings in the early future.

Aside from the constitutional question already referred to, there is no such complexity in the subject as justifies delay or indecision in dealing with this question. Undoubtedly the manner of administering the law will give rise to issues which are both important and complicated, but such troubles inhere in the liquor problem, and no ideal way of dealing with them is likely to be found even should the lawmaking authority procrastinate. The legislation should be brought forward and disposed of as speedily as practicable to the end that if a beer tax is not to be relied upon other methods of raising additional money may be resorted to.

While the present session of Congress is not likely to undertake a general revision of the tariff or income-tax schedule with a view to increasing the revenues, it is clear to me that the incoming administration may find it necessary to deal with these subjects in order to balance the Budget and find whatever amount may be wanting if the results of economy measures and other plans in prospect have been adopted and their effects on the Treasury have become known.

There is much ground upon which to rest the conclusion that national expenditures for capital account may be passed on to the future in the form of bond issues in so far as this may be done without defeating the purpose to sustain the Government's credit. This proposal might be made to apply to some three hundred or four hundred million dollars in our necessary annual expenditure. Since the Government debt is already very heavy and daily on the increase, any new legislation which seeks to pass on to the future the costs of present operations should be scrutinized with care lest in the long run it increase, rather than diminish, the difficulty of the problem pertaining to the deficit.

ACUTE PROBLEMS OF AGRICULTURE

The situation respecting agriculture is acute. Due to decline in the prices of agricultural products out of proportion to other commodities, there has been a breakdown of agricultural credits which if permitted to go on will indefinitely postpone and prevent the return of prosperity. This breakdown of credit has made it impossible for farm producers to meet their obligations. Their lands are heavily mortgaged. Values have declined so that the foreclosure of real-estate mortgages is becoming alarmingly general. Millions of farmers during the last few years have seen the savings of a lifetime swept away and find themselves facing the task of earning a livelihood for themselves and their dependents when advancing years and generally prevailing conditions are exceedingly discouraging, almost hopeless. Whether any arbitrary plan, such as the debenture, the equalization fee, or the allotment, if fairly tried out will prove effective, can be determined only by experiment. The result hinges on the possibility of restoring prices to a fair and compensatory level, and this seems tied up, in so far as markets are concerned, with the disadvantage the American farmer labors under in competing with foreign producers due in large part to depreciated currencies and the situation respecting foreign exchange. This subject of itself is of sufficient importance to claim separate consideration.

That that subject must be dealt with legislatively is undeniable. The Congress is devoting itself to the study of the problem with a view to the preparation, presentation, and passage of relief measures which will be designed to accomplish two chief purposes: First, to cause a rise in the prices, particularly of staple agricultural products. Second, to refinance farm-mortgage indebtedness so as to give the farmer a reasonable period of time in which to

begin recovery by reducing interest rates and postponing installments of principal for a period of, say, two years and by spreading the installments with due consideration to the time that recovery may require.

A fair inquiry into the subject will reveal that neither the Federal nor joint-stock land banks have desired to pursue a policy oppressive to their borrowers. These banks have their own obligations to meet—obligations in the form of bonds which have been widely scattered through the markets. Of necessity they must collect a sufficient amount in the aggregate of the installments due them to meet their own bond maturities or pass into receiverships, which will cause conditions almost intolerable to borrowers.

Any plan which deals with this subject which does not take into some account the large amount of loans outstanding held by insurance and by private farm-mortgage companies will prove incomplete, however beneficial it may be to the particular class of borrowers affected by the legislation.

Contrary to the misunderstanding which has become almost general, joint-stock land banks are not foreclosing a proportionately greater number of mortgages than are the Federals and the private-loan companies. Plans and proposals are now being drafted to ease the pressure on loans through the land banks. No one need expect the matter to be quickly disposed of. Experience should be taken advantage of and the farm-loan system should be reorganized so as not to penalize any class or group, but in such a manner as to strengthen our agricultural credits in the interest and for the welfare of deserving borrowers who have been caught between the upper and the nether millstone and are being crushed because of the breakdown in the prices of their products and lands.

Time does not permit me to discuss at length the program for the submission of an amendment pertaining to the repeal of the eighteenth amendment to the Federal Constitution. Many who champion repeal overlook the fact that ratification by the States and not merely the submission by the Congress of the resolution of ratification is the controlling process in accomplishing a change from national prohibition. Action by three-fourths of the States, either in conventions or through their legislative departments, will by no means follow the submission of the amendment. It is exceedingly doubtful, in my judgment, whether they would approve the repeal of the eighteenth amendment with no safeguard against the return of saloons, or with no protection to the dry States against the gangsters who thrive by unlawful business in liquor. The form of the amendment and the language to be submitted are of primary importance. With this in mind, let all who would like to have a test of public opinion on the subject cooperate in efforts to have the annoying and difficult issue acted upon as promptly as the necessary deliberation and the proper dispatch of business may warrant.

There are other subjects for legislation which must be dealt with during the present short session of Congress which if not disposed of will likely go over for action and contribute to the forces which make for an extraordinary session of the Congress.

It has been my effort to condense these remarks so as to cover several important topics. It has been impossible to give a comprehensive or exhaustive discussion. The effort has been to touch upon some of the most outstanding subject matter for legislation and to point out the necessity for as prompt and decisive action as may be consistent with wisdom and prudence.

What I have had to say has, I hope, convinced my hearers that the Democratic Party is prepared, as it said it would be during the campaign, to take active and constructive steps toward the solution of the problems and difficulties which confront the Nation. Let it be understood that there is one motive which will actuate representatives of the Democratic Party, and that is service to the people and to the country in conformity to the principles of the platform.

In full recognition of the mighty task before us and with a sense of personal humility which is the outgrowth of a consciousness of responsibilities exceedingly difficult, let me conclude with the assurance that while the result may not always be as immediate as might be wished, every possible effort will be made to pursue a sound and constructive policy designed and calculated to rebuild in time a structure of renewed confidence and improved conditions.

PROPOSED CANCELLATION OF EUROPEAN DEBTS

Mr. HULL. Mr. President, some time ago there was published in the Literary Digest an article on war debts, by my colleague Senator McKellar, and also there was published in the newspapers a short subsequent article on the same subject. I ask that both of these articles may be published in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the Literary Digest]

THE PROPOSED CANCELLATION OF EUROPEAN DEBTS

Stripped of all sugar coating, the proposal to cancel our foreign debts means the transfer of this enormous indebtedness of over \$11,500,000,000 from the backs of European taxpayers and placing the burden on the backs of American taxpayers. Put in another way, it would allow European countries to cancel substantially all of their remaining public debts and graciously permit the

United States to pay the same. Put in still another way, notwithstanding that the public bonded debts of the United States now aggregate the enormous sum of about \$24,000,000,000, notwithstanding an imposition of more than a billion dollars of additional taxes by the last Congress; notwithstanding there was nearly a billion dollar deficit in our Treasury two years ago, and nearly \$3,000,000,000 deficit last year; and notwithstanding an estimated deficit in the Treasury this year of perhaps \$3,000,000,000, judging by the deficit of the first two months of the fiscal year amounting to \$393,236,000; in other words, notwithstanding an empty United States Treasury and tremendously decreasing tax returns we are now asked by these European nations and by our own international bankers and by those of our citizens who were misled by these international bankers to invest their money in foreign securities to their great loss, and against the best interests of this Republic, we are now asked solemnly to tax our people again in order to make a gift to European nations of \$11,500,000,000 in this time of depression. The purpose is, of course, to prevent European nations from being hereafter bothered in any way by public debts, and to give these international bankers and these foreign security holders a better chance to collect their speculative investments.

American investors bought these foreign securities after the war with their eyes wide open. No doubt they were misled into doing so by our international bankers; but surely this forms no reason why the American people should be taxed in the mere hope that these private securities will be paid. Even if we should release all these debts, there is hardly a chance that these European nations would pay to the holders of these private securities what is due them. The present all-pervading propaganda means simply that the holders of these privately bought securities and the international bankers who by questionable methods sold them, and the European nations involved, have combined and confederated together in their own interest and to the detriment of the American taxpayers to bring about a cancellation of these public debts justly due the American Government.

HISTORY OF THESE DEBTS

The propagandists constantly speak of the debts due us as "war debts." This statement is not accurate. The "war debts" have substantially all long ago been canceled and the debts now owed us are for the most part for money borrowed since the war for the purpose of rehabilitating their countries, for increasing their armies and navies, for paying their own ex-service men cash bonuses, and for other general governmental purposes.

THE OFFICIAL RECORD

Belgium

Total indebtedness refunded (act of April 30, 1926) \$417,780,000. Of the foregoing, \$246,000,000 in round numbers, represent postwar advances. On page 168 of its Combined Annual Report the World War Foreign Debt Commission said:

"Repayment of the postarmistice debt, amounting at date to about \$246,000,000, has been arranged on the general lines accorded to other countries."

France

Total indebtedness refunded (act of December 18, 1929), \$4,025,000,000. Of the foregoing, \$1,655,000,000 represents postwar advances. On page 272 of the report Secretary Mellon, under date of July 16, 1926, made the following statement:

"For obligations incurred by France to America after the war ended, France owes us to-day \$1,655,000,000. The present value of the entire French-American settlement, at the rate of interest carried in France's existing obligations, is \$1,681,000,000." In effect, therefore, America has canceled the obligations of France for all advances during the war, and France, in the Mellon-Berenger agreement, has undertaken only to repay the advances and obligations subsequent to the armistice. No other creditor of France has accorded such generous treatment.

It will be remembered that France bought from America after the war \$2,000,000,000 worth of property and supplies that America had in France when the war was over. She bought these at 20 cents on the dollar and has never paid even that. This item was juggled into the settlement.

Italy

Total indebtedness refunded (act of April 28, 1926), \$2,042,000,000. Of the foregoing, \$616,869,197.96 represents postwar advances. Mr. Mellon, in his letter on page 304 of said report, showed that the present value of Italy's settlement was \$426,000,000, about two-thirds of the postwar advances after canceling all the war loans.

Great Britain

Total indebtedness refunded (act of February 28, 1923), \$4,600,000,000. Of the foregoing, \$581,000,000 represents postwar advances. Concerning this, Secretary Mellon, on page 304 of his report, said:

"Let us see what relation the burden of our debt settlements bears to our loans after the armistice. In the case of England postarmistice advances with interest amounted to \$660,000,000, and the present value of the entire debt settlement is \$3,297,000,000. It must be remembered that England borrowed a large proportion of its debts to us for purely commercial as distinguished from war purposes—to meet its commercial obligations maturing in America, to furnish India with silver, to buy food to be resold to its civilian population, and to maintain exchange. Our loans to England were not so much to provide war supplies

as to furnish sterling for home and foreign needs and to save England from borrowing from its own people."

It will thus be seen that the official report shows that we have canceled all of the "war debts" and in the cases of Belgium and Italy, scaled down tremendously the postwar debts. The other European nations which owe us—Poland, Czechoslovakia, Estonia, Finland, Hungary, Latvia, Lithuania, and Yugoslavia, all, of course, created after the war and all their indebtedness was postwar indebtedness.

Before our allies began borrowing from us in 1917, they had been borrowing money wherever they could get it at enormously high rates of interest. To be able to get it from us at 5 per cent in 1917 was a veritable godsend to our allies, and they willingly and enthusiastically gave us their obligations for same bearing 5 per cent interest. After Armistice Day they borrowed every dollar they could get. Our Government appointed a Debt Funding Commission, and foreign nations sent their representatives here to settle these debts. The result of this was a settlement in which the United States canceled all the "war debts."

In addition the United States reduced the average interest rate to about one-half that they had formerly agreed to pay. A striking result of this settlement was that the money value of this eleven and a half billion dollars of debts was really only a little less than six billions of dollars.

No debtors were ever treated more generously than the United States treated her allies in these settlements. The United States had lent this money without stint or limit. We had borrowed it from our own people at an average of more than 3½ per cent of interest, and we remitted more than one-half of the principal of the debt, and we reduced the rate of interest to a rate far less than our own Government was required to pay on the remainder. We let these countries fix the time in which they were to pay—very small capital payments and an exceedingly small interest rate over a period of 60 years. They had hardly started real payments before they entered upon a campaign to have the United States cancel the remainder of these debts.

THE ALLIES' SETTLEMENT WITH GERMANY

Compare our more than generous settlement with the Allies with the settlement of the Allies with Germany. In the first settlement the Allies required Germany to agree to pay them an aggregate amount in cash of \$60,000,000,000. They also required, and received, many billions more in reparations in kind. In addition to that, France, Great Britain, and Italy received veritable empires in territories and peoples. Nations like Poland were constituted outright. Germany has already paid billions in cash and billions in kind. The Allies have bled her white. These exactions were so great that they held another conference and were compelled to reduce the aggregate amount to \$26,000,000,000 under the so-called Young plan. Last spring when they found that Germany was likely to go into revolution if these exorbitant payments were exacted, they met again secretly and agreed to cancel all of Germany's debt except about \$700,000,000, provided—and here is the milk in the coconut—that the United States would cancel all of the allied debts.

This last settlement of the Allies with Germany was conditioned solely upon the cancellation of these debts due America.

If this buccaneering scheme is carried out, European nations, Germany included, will have escaped all of their war indebtedness and America will be left holding the bag. Surely the American public will not be gullible enough to permit it. America is always outtraded in international conferences. This is proverbial. But surely she will not permit herself to be bunkoed again in reference to these debts.

SPECIOUS ARGUMENTS USED

American propagandists now present the specious argument that a cancellation of these debts would help to do away with the depression and immediately restore prosperity to the American people.

They claim it would help the American farmer sell his cotton, his wheat, his cattle, his hogs, and all other products at higher prices, and bring about his unexampled prosperity.

They also claim it would start steel mills going, reopen automobile factories and all other factories, and immediately reemploy all the unemployed.

They are printing tons of material, claiming that even the retail stores would sell more goods; theaters would sell more tickets; increase the price of labor, and that every workman and farmer in America would be carrying full baskets to picnics and that a financial millennium would ensue.

One is reminded by this propaganda of certain prophecies made some time ago, that if a certain election contest was settled favorably to the speaker, there would be two chickens in every pot, two automobiles in every garage, all poorhouses would be abolished, and that an economic condition would arise where every man and woman in America would, without work, be rich, prosperous, and happy.

The answer to all these fallacious and ridiculous assertions is that, with the present high tariff walls around our country and the retaliatory tariff walls placed around European countries as a consequence of our high tariffs, it would make it impossible for our farmers, producers, merchants, business men, or even picnickers, to be benefited in the slightest degree by the cancellation of these debts.

Another answer is that even if we raise the prices of our commodities by cancellation as claimed, we would still simply be tax-

ing all our people to pay the increased prices, and no one would be actually benefited.

To my mind one of the greatest causes of the depression in America was the unloading of these foreign securities upon a susceptible and avaricious American investing public by the international bankers. These bankers apparently looked alone to the high commissions that they made out of the transaction. According to the Johnson report of an investigation on this subject, these bankers made countless millions of dollars in commissions. They took money that should have been invested in America and sent it to Europe. Later on the investors found out how they had been overreached, and now they have combined and confederated with the international bankers and the European nations in an effort to cancel these debts, in the hope that by canceling them their own private securities may be made better.

It is indeed a fallacious argument. Instead of helping the American people to end the depression, it means the placing of enormous additional tax burdens upon them and a consequent continuation of the depression.

TO REDUCE EUROPEAN ARMAMENTS

A distinguished peace enthusiast in the Senate says he would be willing to vote for a reduction of these debts if our debtors would agree to reduce their military and naval forces and their preparations for war. Verily he has faith in the peaceful intentions of our European friends that would remove mountains. His confidence is wholly misplaced.

WHAT NATIONS SPEND ON ARMS

(Expenditures for the last fiscal year, as compiled by the World Peace Foundation from the League of Nations Armaments Yearbook)

Austria.....	\$14,507,320
Belgium.....	33,303,200
Czechoslovakia.....	51,189,000
Estonia.....	5,520,000
Finland.....	16,457,500
France.....	466,960,000
Germany.....	171,923,049
British Empire.....	726,731,065
Greece.....	21,340,800
Hungary.....	20,200,000
Italy.....	248,946,500
Latvia.....	7,860,000
Lithuania.....	5,680,000
Poland.....	92,072,000
Rumania.....	53,657,200
Yugoslavia.....	50,458,000
Total.....	1,986,799,625

These figures were for the year before last. For the last year Great Britain, without her colonies, spent on armaments \$535,000,000; France, \$455,000,000; Italy, \$260,000,000. Other allied nations prepared and spent for war in proportion. All together they spent \$2,250,000,000 on war last year, and will no doubt spend more on war this year; yet, with all these vast expenditures for future wars, they come with figurative tears in their eyes and say they are unable to pay these just debts. It would take only about 12 per cent reduction in their war preparations to pay these debts due America as and when they fall due. In doing so they would contribute just that much to the peace of the world.

THE CASE OF GERMANY

The very recent action of Germany in demanding that the Versailles treaty be amended so that she may expend an additional \$100,000,000 on armaments furnishes a true index of what will happen in the case of other European nations if these debts are canceled. Think of it! As yet Germany has only a conditional agreement for the cancellation of her debts. Indeed, just a hope of having America pay her war debts, and yet she is thus immediately asking vastly to increase her naval and military forces. If we should cancel these debts, other European nations like Germany would all inevitably increase their armed establishments. We would just be contributing to their several war chests. We might as well contract with them to reduce their daily rations of food as to contract with them to reduce their armed forces. We would, or should, know that any such contract on their part would be a mere scrap of paper to be violated at will. We could only enforce it by going to war.

CANCELLATION AND PROSPERITY

Advantage is taken of the depression for these propagandists to claim that the world, including America, would be immediately restored to prosperity if these debts are canceled. In view of one notable historical fact the claim is absurd. That proposal was tried out in the celebrated Hoover moratorium last year, and it not only did not help Germany but had no appreciable economic effect on America or any other nation. In America it just added to our deficit that much, for these foreign nations had the money in New York ready to pay when they were notified that America did not want the money.

It must be remembered that these annual payments amount to only a little more than 1 per cent of the aggregate foreign trade of these several nations—not enough to have any appreciable affect upon their prosperity or ours.

WELSHING

Lastly it is claimed by these propagandists that these nations are not going to pay us anyway, so that we might as well cancel.

The answer to that is that no modern nation can last after repudiating its debts. Of course, these nations will pay unless we voluntarily cancel. They have too much at stake to refuse.

But assume they do not pay—America will certainly not be any worse off; we will still hold their unpaid obligations and it will be much harder for them to borrow money to enter upon other wars. These unpaid obligations will be wonderful guaranties of peace.

THE RIGHT TO CANCEL

I do not often quote Andrew W. Mellon, but Mr. Mellon in his debt-funding report on this subject has this to say, which is worthy of quoting:

"Public officials, whether in the legislative or executive branch of the Government are essentially trustees. They are trustees for the citizens of their own country. They are not free to give away the property of the beneficiaries of the trust. An individual can do what he will with his own property. A public official, however, must keep firmly in view that he is dealing not with his own property but the property intrusted to his care by the citizens of his country."

Again:

"When cancellation of debts is viewed from the standpoint of the United States, you fail to recognize that the Debt Commission, the President, and the Congress act, not in their individual capacities according to sentiment, but as trustees for those whom they represent, the American people. If these foreign debts are canceled, the United States is not released from its obligations to pay the very bonds which were sold to our citizens to make the advances to the foreign governments. We must collect through taxation from our people, if our debtors do not pay us."

Again:

"The United States is creditor only; and every dollar of debts canceled by the United States represents an increase by just that amount of the war burden borne by the American taxpayer" (pp. 305 and 631).

ANOTHER MORATORIUM UNTHINKABLE

Our sacrifices for Europe already made will amount to not less than \$50,000,000,000. Our own people are weighted down with city, county, State, and national taxation as never before. Unless all signs fail, our public debt will be larger on the 1st of next July than it has ever been in our history. Our Treasury has been empty for years, and we have been carrying on by borrowing. It has been estimated that the private debts of our people amount to perhaps a hundred billion dollars. Mortgages are being foreclosed on homes and farms over our entire country. Real estate has virtually no value. Incomes have been tremendously lessened and perhaps in the majority of cases have disappeared. More than 10,000,000 of our people are unemployed. Under these circumstances are we to neglect our own people and declare a moratorium for foreign peoples? Are we to let mortgaged farms be foreclosed, mortgaged homes be foreclosed, lands of every kind sold for taxation here in our own country without a moratorium, and again give another moratorium to European debtors who do not need it; who do not appreciate what we have already done for them, and which will not in the slightest degree benefit us?

Let us be just to American citizens before we are generous to foreign peoples who do not appreciate our generosity.

If the un-American Americans who fatuously advocate "debt cancellation" would embark instead on a campaign for "payment by American taxpayers of Europe's just debts," if they would constantly urge "transfer of European debts to American shoulders," they would then be putting the matter in its true light. There can be no cancellation. Liberty bonds are outstanding, payable by Americans, for what Europe borrowed. If Europeans do not pay, we must.

KENNETH MCKELLAR.

[For release for Saturday morning papers, December 3, 1932]

STATEMENT BY HON. KENNETH MCKELLAR, UNITED STATES SENATOR FROM TENNESSEE

The newest bold effort of the debtor nations of Europe combined against America to escape payment of their just obligations to us, as shown in the last British note, reveals a situation that will be truly astonishing to the rank and file of the American people when that note is analyzed.

I observe in the British note the following:

"The initiative in devising a settlement of reparations was taken by the creditor Governments of Germany at Lausanne with the cognizance and approval of the United States Government."

Compare this remarkable statement with the statement of President Hoover in his letter to Senator BORAH, appearing in the CONGRESSIONAL RECORD of July 15, 1932, as follows:

"I wish to make it absolutely clear, however, that the United States has not been consulted regarding any of the agreements reported by the press to have been concluded recently at Lausanne and that, of course, it is not a party to nor in any way committed to any such agreements."

Those are the two statements. Is President Hoover's statement true or is the statement of Mr. MacDonald, speaking through the embassy, true? It is a question of veracity between them. If the American Government was not consulted about the secret Lausanne agreements, then I hope President Hoover will properly characterize this statement of the British Prime Minister.

But Mr. MacDonald, in this embassy statement, says these payments ought not to be made because "these loans were blown to pieces."

The embassy's statement on this subject is "blown to pieces" by the undisputed facts.

Confessedly, \$660,000,000 of the sums due us were postwar debts; and on page 299 of the report of the World War Debt Commission we find the statement from Secretary Mellon that \$1,632,000,000 represents "exchange and cotton purchases"; and the following statement was made:

"The greater part of this expenditure was for the maintenance of sterling exchange not necessary for purchases in America."

Thus we see that at least \$2,342,000,000 of this indebtedness had nothing to do with war purchases, notwithstanding the statement of the embassy note to the contrary; and this, with interest, is all that we are asking Great Britain to pay.

England's new-found concern for Germany is wholly disingenuous. If it is morally wrong to pay these international debts now, it has been morally wrong for Great Britain to have received payment of reparations all these years from Germany, and she and her new combination against the United States should restore these wicked payments to Germany before asking America to cancel.

The embassy statement is disingenuous again when it does not refer to the vast sums that Great Britain is now spending for armaments to be "blown to pieces" while claiming inability to pay. If she would reduce slightly her appropriations for armaments for the purpose of blowing people to pieces, she would have ample money to pay her honest debts already incurred.

The statement claims that further payments would weaken Great Britain's credit and injure the price of her pound. She started her pound falling by going off the gold standard for trade benefits against us, and it is remarkable that when she announced yesterday that she was going to make these payments her pound went up 3 cents in price. The one way in the world by which she could ruin her credit is by adopting the policy of repudiation.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

The PRESIDING OFFICER (Mr. Fess in the chair). The question is on the amendment of the senior Senator from Louisiana [Mr. BROUSSARD], which will be reported for the information of the Senate.

The CHIEF CLERK. On page 37 of the committee amendment, strike out all after line 7 to and including the word "report" in line 23 and insert in lieu thereof the following:

SEC. 9. (a) On the 4th of July immediately following the expiration of the period of eight years from the date of the inauguration of the new government under the constitution provided for in this act.

So as to read:

SEC. 9. (a) On the 4th of July immediately following the expiration of the period of eight years from the date of the inauguration of the new government under the constitution provided for in this act the President of the United States shall withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof under the constitution then in force: *Provided*, That the constitution has been previously amended to include the following provisions:

Mr. BORAH. Mr. President, as I understand the effect of the amendment, it is to shorten the time within which Philippine independence shall be granted. I know full well the time and study which the members of the committee have put upon the Philippine independence bill. I understand that the time which is agreed upon is the result of compromise. I hesitate to disagree with the committee as to the time. I am not going to discuss the matter at length, but I want to offer a suggestion or two as to why I should like to see a shorter time fixed. I understand the amendment will have the effect of limiting it to eight years.

There is an element of injustice in undertaking to limit importations from the Philippines during the time that they are still a part of the territory of the United States. If we undertake to put a limit upon the amount of products—coconut oil, sugar, and cordage—which they may import, it can hardly be defended as a matter of justice. And yet, Mr. President, if the long time of 18 years is to elapse between the passage of the bill and the independence of the Philippines there must necessarily be a marked limitation upon all imports from the Philippines. That is true with refer-

ence to sugar, which has been discussed at length. That is also true with reference to coconut oil and other products. It seems to me that the way to avoid doing a signal injustice of that kind, and at the same time avoid doing a great injury to agriculture in the United States is to limit the time within which they may have their independence, give them their status as soon as it can possibly be given, and give them then the attributes of an independent nation. The long period will work an injustice to Filipinos and a great injury to agriculture in the United States.

Mr. President, I wish to invite attention to a statement which appears in an address made by Mr. Frederick E. Murphy, publisher of the Minneapolis Tribune, on the question of the importation of coconut oil and the serious effect which it has upon the agricultural interests of the United States. He said:

One has but to observe the increased use of such a product as coconut oil to realize the change that has taken place. The average importation of coconut oil, 1921 to 1925, was 392,000,000 pounds, which had increased in 1930 to 655,000,000 pounds. The average of palm and palm kernel oil, 1921 to 1925, was 89,000,000 pounds; for 1930 it was 250,000,000 pounds. And while we are importing these oils, the American farmer is forced to export a billion pounds of animal fats each year. In 1924 the United States was exporting more oils, oil materials, animal and vegetable fats than we were importing. But in 1929 our imports exceeded our exports by approximately 1,000,000,000 pounds. This, of course, is what is driving the dairy, the hog, and the cattle producers into a frenzy. The increase in world production from 1923 to 1929 amounted to 5,000,000,000 pounds.

Coconut oil has fallen in price from 18 cents in 1918 to 4½ cents in 1931. During the same period cottonseed oil has fallen from 24 cents to 7 cents, tallow from 17.9 cents to 4.3 cents. Other vegetable and animal oils and fats have shown the same price decline.

The world production of vegetable oils in 1929 was not far from 20,000,000,000 pounds, or ten times the butter production in the United States. The American farmer not only has to compete with the Tropics but with the ocean as well. In 1931 the world production of marine-animal oils is estimated at 1,750,000,000 pounds. Of this nearly 1,500,000,000 pounds was whale oil. Whale oil is now used for the making of butter substitutes in Europe and to a small extent in the United States, otherwise it chiefly goes into soapmaking.

The American farmer finds himself in desperate competition with the fecundity of the Tropics and the teeming animal life of the ocean, while he struggles with the less bountiful soil along the forty-fifth parallel of latitude.

The American farmer also finds himself at a grave disadvantage in the matter of transportation. A large percentage of our industrial and commercial population lives on or near the seaboard and is more accessible to foreign markets for food and industrial raw materials than it is to the center of our agriculture. A very large proportion of American agricultural products comes from the Central States, which average a thousand miles from seaboard, in contrast to Argentina, Australia, and other countries, where most agricultural products are produced relatively close to tidewater. Ocean rates are extraordinarily low. In contrast to these low water rates are the high domestic railroad rates which must be paid on the mass of agricultural products from the farms of the Mississippi Valley. Flax is grown a few hundred miles from the seaboard in Argentina and laid down at New York at a price which the North Dakota flax grower can never hope to meet. New Zealand sells butter in San Francisco.

Mr. President, there has been provided a limitation of 150,000 long tons. I think an agreement was made to that effect yesterday afternoon. That is better than 200,000 tons, although I do not think the effect is very materially different.

Mr. PITTMAN. Mr. President, may I interrupt the Senator at that point?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Nevada?

Mr. BORAH. Yes.

Mr. PITTMAN. The writer of that statement is dealing with world production of fats.

Mr. BORAH. Yes.

Mr. PITTMAN. The only pertinent question so far as the pending legislation is concerned is the quantity of such products coming from the Philippine Islands—

Mr. BORAH. Exactly.

Mr. PITTMAN. Because the question of excluding or limiting other world production is another matter.

However, I wish to call the attention of the Senator to the fact that the total consumption of all edible fats in the United States in 1931, according to the Bureau of the

Census, was 5,666,000,000 pounds. The total edible coconut-oil consumption in the United States was 220,000,000 pounds, or approximately 3.8 per cent of the total. That, however, does not tell the entire story, for the reason that over half of that 3.8 per cent came into this country from other countries than the Philippine Islands, coming here in the form of copra, which is the meat of the coconut. So when we analyze it, we find that only one-half of 3.8 per cent, or 1.9 per cent, of the total consumption of butterfats in the United States came in from the Philippine Islands. That is the point I am getting at. That matter of 1.9 per cent of the coconut oil that comes in, and at which figure the imports from the Philippines are to be limited forever, no matter how much our population may expand, is insignificant to us but important to the Filipinos. I am only comparing the significance of it to our farmer with the importance of our doing justice to a people who must depend on us to do whatever we want to do.

Mr. BORAH. Mr. President, I quite agree with the Senator. As I indicated in my opening remarks, we have a duty to perform, and we ought to deal justly with the Filipino people. My opinion is that the Filipino people, if they are equipped for self-government, are equipped for it within the next five years. I feel that five years would give time enough to make preparation for their new status. We are proceeding upon the theory that they are fitted for self-government, and that it is only necessary to give time to arrange for the new responsibilities.

Mr. PITTMAN. I agree with the Senator to this extent: My observation from two trips to the Philippines, one in 1925 and one last summer, is that the Filipinos are far better equipped for self-government, mentally and by experience, after 30 years of government under American auspices than are most of the Latin American countries. I must say, however, that there is a branch of government they have not had much experience with and that is the branch having to do with financial and economic matters, because we ourselves have actually taken care of all such questions for them.

Mr. BORAH. If we have not done it any better there than we have here, we have not done anything to brag of.

Mr. PITTMAN. In some respects it has been done better there. We had one administrator there who seems to have been an economist and financier, and the work has been done very well. In determining when independence should take effect one of the principal considerations was the period of time, according to the best expert opinion, needed for a readjustment of conditions. Opinions may differ as to that.

Mr. BORAH. I got the impression that the provision in regard to 18 years was the result of a compromise between those who wanted a much shorter time and those who did not want to grant independence at all.

Mr. PITTMAN. I am frank to say to the Senator that that is largely true. As I said the other day, some of them wanted an intervening period of 25 years and some of them wanted independence to come in as short a space as two years. With all the varying degrees of thought in the Congress, we tried to get a sufficient majority to agree on something. But there was still another thing about it. I would not like to leave the question as though conclusions have been reached in a careless manner.

Mr. BORAH. Oh, no; I did not so indicate.

Mr. PITTMAN. There were two phases of it. First, however, let me refer for just a second to what Aguinaldo said. I think Aguinaldo probably is the most independent man in the islands, because he holds no office and wants no office and is looked upon as the elder statesman. His proposition was to give them freedom in 5 years, and after the 5 years to continue for 10 years the same commercial arrangements with the United States as now exist, so that they could in those 10 years find a market in lieu of that which we would otherwise take away from them or largely restrict by imposing our tariff duties on their products after independence was granted. In other words, he wanted free

trade with the United States for 10 years after the 5-year period. Then the quota suggestion was made for the purpose of preventing them from increasing their production, as far as we are concerned, and limiting their exports to us so that we would know just where we stood, at least during the 10-year period.

Those who are deeply interested in the Filipinos felt there were two reasons why we should put a progressive tariff on their products, first to teach them the necessity of hunting other markets, for so long as they were allowed a quota of free imports to the United States it was felt that they would not learn the necessity of finding such new markets. So it was said, "Let us put a progressive tariff on them for 5 years after 10 years."

Let us see what it means to them. That was advocated by very strong friends of the Filipinos who wanted to teach them to take care of themselves, but there was another group who wanted that same thing for an entirely different reason. They wanted it in order to accumulate a fund for the purpose of paying the bonded indebtedness of the islands, for which we are morally responsible. They said this tariff which will be put on in the form of a duty during that five years shall go into a fund which may not be touched for any purpose except to amortize the bonds, so that at the end of five years, when they have absolute independence, if they shall vote for it, payment of such bonds may be provided for.

We now find in the bill the period of 18 years. Fifteen years could be spoken of just as well, because they have a right to have their plebiscite at any time after 15 years, but we think it might take two years to conduct the plebiscite. We do not know as to that; it might not take more than a month. So we might just as well say 15 years as 18 years.

Mr. BORAH. Mr. President, I will say to the Senator from Nevada that I intend to vote for whatever bill is ultimately presented which looks to the independence of the Philippines, because I am very anxious at some time or other that they shall have their independence; but I do think it is unfortunate that we should hold these people for 18 years and control and dominate their business practically for all that time, limit their exports and limit therefore their development and limit therefore in a measure their growth during that time. In other words, they are a part of the United States for 18 years. And while we are doing them an injustice in this respect we are working great injury to American agriculture.

Mr. PITTMAN. Mr. President, we do not limit their exports.

Mr. BORAH. We limit their exports of sugar and coconut oil.

Mr. PITTMAN. We limit their exports of sugar and coconut oil and cordage to the United States.

Mr. BORAH. That is about all there is to it.

Mr. PITTMAN. I will admit until they find some other market that is largely true.

Mr. BORAH. I said "limited the amount," because I thought the United States was practically the only market.

Mr. PITTMAN. It is now practically the only market.

Mr. BORAH. And during the time we are holding them under our control I say we are putting a limitation upon their development. I think that it is infinitely better to shorten the time and to reach the time as speedily as possible when they may go forward with their development in their own way and according to their own ability. I do not think that at this time the Filipino people are capable of self-government in the sense that we use that term with reference to ourselves, but I think they are capable of self-government which will be in their interest and for their welfare much more than will be tutelage under the United States. Therefore I would rather take the chance of giving them their independence a little earlier than to take the chance of limiting them in their development for the next 18 years and, at the same time, in a large measure, putting them in competition with the agricultural interests of the United States. We can not escape doing some injury some-

where. We can not tear peoples apart without some pain. It seems to me, for all concerned, that the operation be as speedily performed as possible.

Mr. PITTMAN. Mr. President, of course I agree with the Senator that it would be unthinkable so long as we dominate them to deprive them of the privileges to which they are naturally entitled unless they themselves agree to it; but of course they have agreed to this limitation.

Mr. BORAH. Yes; but Mr. President, the Senator knows that when you put up to a man a certain condition on one side and on the other side his independence and his liberty he will agree to pretty nearly anything in order to get the latter. Any Filipino will confirm that statement as I have made it. They have to agree to these things. They were not free to have their own way about it. The Senator will agree with me, I am sure, upon that proposition.

Mr. PITTMAN. Not entirely so. In the opinion of those who understand the Philippine question as does the commission which is here they would have to take one of two alternatives. The two alternatives are simply these: The minute they get freedom of course they are subject to all our tariff laws. They do not expect anything different to be accorded them when they get freedom. They know that if they get freedom to-morrow they would have on their hands sugar and coconut oil and commodities of that kind which they could not sell, and they would become bankrupt. They do not want that. They do not want freedom to-morrow with our laws moving against them. They do not want it in less than five years if our laws move against them; but they want and they must have our market for at least their present exportation to this country for a period of time, because freedom without that would mean bankruptcy.

So to say that they were forced into it is not exactly true. They themselves may think—and I do not doubt they do—that if they had six years of free trade or the quota applying to their present products they could get out of it by finding some market for their surplus in China and Japan. They might not agree exactly on the time, but I assure the Senator that those who understand the financial and economic condition of the government of the Philippine Islands do not want what is called immediate independence. So this thing has not been forced on them. They want the quota arrangement until they can get out of it. As I have said, they differ possibly as to the time it will take them to do it. Some of them think that 5 years will suffice, some 6, some 8, and some 10.

Mr. BORAH. Mr. President, no people ever acquired the capacity for self-government without a vast amount of serious experience, and the Filipino people, it does not make any difference when we release them, will have to go through that experience. They will stumble many times and they will fall many times before they actually are capable of self-government. That is the history of every people, even the proud Anglo-Saxon. What a period of test and trial they had! There is no such thing as stepping from dependency to independence and self-government without sacrifice.

If this does not prove true as to the Filipino people, they will prove to be the most exceptional people in the world. They will certainly be different from our own ancestors.

I should like to see an earlier period of independence. I say this in the belief that they will be much better off 18 years from now or 20 years from now should we give them a shorter period of time, and give them the full quota of development during that time. Let them have the full right which they have now of exporting to the United States, but give them their independence. Within that time they can certainly arrange their affairs if they are capable of self-government, as I believe they are.

Therefore, while I do not desire to discuss the matter at length, I feel that the time of granting independence ought to be shortened; and I feel that if the committee had not been embarrassed by those who were determined that there should be no independence at all, it would have been shortened.

Mr. BINGHAM. Mr. President—

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Connecticut?

Mr. BORAH. I do.

Mr. BINGHAM. I merely desire to ask the Senator whether I understood him correctly that in voting for a shorter period of time he was at the same time desirous of expressing himself as being opposed to any limitations during that period.

Mr. BORAH. If the time could be limited to five years, I think it would be infinitely better for the agricultural interests of the United States to give them their full rights as they have them now with reference to exporting to the United States; and I should be perfectly willing to do that, although I know that there are a great many who have a different opinion.

Mr. BINGHAM. Is the Senator familiar with the fact that if no limitation is placed upon them, the chances are that next year the amount of sugar exported to the United States from the Philippine Islands will amount to 1,200,000 tons, or nearly twice as much as last year?

Mr. BORAH. Perhaps it is so, which illustrates how unjust we are to these people in clamping down on them and refusing them the right to develop and to grow. We are holding them to the United States, and during that time we are refusing them the natural development and growth to which they are entitled. If we are going to give them their independence, if the time has arrived when it is well to discuss the question of independence, if they have reached the point where they are fit for independence, let us give it to them as quickly as we can, and then give them all the attributes of an independent nation. Let us do justice to them as nearly as possible even if it is costly to our own people. But let us not prolong the agony.

Mr. BINGHAM. The Senator was basing his argument largely on the benefit to American agriculture from this proposal. I was endeavoring to call his attention to the fact that even if we voted to-day to give them their definite independence in five years, and left the door open for the next five years, the damage to American agriculture during that period would be enormous.

Mr. BORAH. Then, correspondingly, the damage to the Philippines must be enormous when we refuse to permit them to do so.

Mr. BINGHAM. No, Mr. President. The damage to the Philippines if we follow the bill as worked out in the committee, which would permit the status quo to be extended for about 10 years and then gradually accustom them to a loss of the American market by placing a certain percentage of our tariff duties in effect as export duties from the Philippine Islands, as the Senator from Nevada has explained, increasing them every year for five years would give them a chance gradually to become accustomed to economic independence; whereas the plan proposed by the Senator from Louisiana, which the Senator from Idaho has just expressed himself in favor of, means total and complete disaster for them at the end of eight years, and also disaster for American agriculture in the meantime.

Mr. BORAH. I can not quite agree to that; but the Senator must recognize the fact that there is an element of supreme injustice in refusing these people the privileges of Americans while they are held as Americans. They are part of the United States now.

Mr. BINGHAM. I agree with the Senator to a very large extent; but I do not see any reason why we should continue to give them a free market under the present circumstances, and why we may not say, "You have gone far enough now, and you must continue under the status quo for the next few years."

Mr. BORAH. If I did not think the Filipino people were fit for self-government at this time, I should not be at all interested in this bill. I think they are, and I think that if the time is shortened and they are spurred up to taking hold of the matter that much earlier, they will do so.

Eighteen years, as proposed in the bill, is a long time. Think what has happened to the governments of the world

in the last 18 or 20 years! We are proposing to carry the matter along here for practically 20 years with a certain amount of responsibility, but without any real power, and we are proposing to limit them in their right to development during that time and the right to build up their country during that time.

Mr. BINGHAM. Not any more than or nearly as much as we would by giving them immediate independence.

Mr. BORAH. Of course, that is a difference of opinion.

Mr. BINGHAM. Mr. President, if we gave the Filipinos immediate independence it would result in complete bankruptcy in the islands. The National Bank of the Philippines in Manila, which is their chief bank, and which came to the verge of bankruptcy a few years ago when Governor Harrison was there, and turned over the affairs of the bank to a committee of three Filipinos, from which we have finally rescued it and put it back, so that it is at the present time solvent, has its chief investments in sugar plantations—62 per cent, I am informed by the Senator from Michigan [Mr. VANDENBERG]. If we were to give them immediate independence we would force those sugar plantations into bankruptcy. The Bank of the Philippines would be forced into bankruptcy. Their ability to pay their debts, or to carry on as an economic country, would be hampered to such an extent that it is difficult to paint the picture.

The Senator from Idaho pictures them as fit for independence. I agree with him that, so far as concerns their political sagacity, their mentality, their education and so forth, they are fit for independence; but, as the Senator from Nevada [Mr. PITTMAN] has pointed out, in their experience in finance they are a long way from being able to look after their own people as we should like to see them do it or as they themselves would like to do it.

Mr. BARKLEY. Mr. President, will the Senator yield there? Are they alone in that condemnation?

Mr. BINGHAM. Just a minute. If we grant them independence and place them where they will have to compete with other Asiatic nations we shall see them competing with the Chinese and the Javanese, because in southern China and in Java the products are similar to those of the Philippines. If the Senator thinks that after having raised them to a standard of living that is entirely different from that of their neighbors it is a part of our duty as their guardians, looking after 13,000,000 people as our wards, to place them suddenly where they must compete with the people of southern China, whose daily wage is 10 or 15 cents, and the people of Java, who are in a state of almost serfdom, where their crops and everything else are entirely under government supervision, where their wages are not more than 10 or 15 cents a day—if the Senator thinks it is fair to them to force them suddenly to compete with southern China and Java in the markets of the world and reduce the Filipino population to the level of their neighbors, the Senator, of course, is entirely within his rights.

Mr. BORAH. Of course, I am within my rights; and the Senator has proven conclusively that this bill ought to be indefinitely postponed.

These people have been under our tutelage, if I may use that term with reference to a people, for the last 30 years. They have not acquired during that time, thinks the Senator, any real knowledge with reference to finance; but they are going to acquire this knowledge within the next 15 or 16 years, so that they will be perfectly capable. Not having acquired any knowledge sufficient to enable them to go ahead in 30 years, in the next 15 or 16 years they will acquire sufficient knowledge concerning this intricate problem to enable them to go forward.

The Senator, I am sure, realizes that as a people they will not acquire sufficient information concerning that subject in that time if they have not done so during the last 30 years.

Mr. BINGHAM. Mr. President, there is another aspect of this matter which has not been touched upon, and that is the provision of the bill which enables the people of the Philippines by a plebiscite at the end of the period of

experimentation to determine whether or not they want to be independent.

It is the belief of many of us who have been there and who have studied the question very carefully for many years that although it is quite true that the great majority—possibly 98 per cent—of the people of the Philippine Islands to-day would like to see immediate independence, it is chiefly because they do not appreciate what that will do to them economically. Most of them think in terms of Americans.

Mr. BORAH. That is precisely what the King of England said to us.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question?

Mr. BINGHAM. I do not follow the Senator from Idaho in his historical reference.

Mr. SHORTRIDGE. Mr. President, at some time I want to say something on this subject.

Mr. BINGHAM. I have not the floor. I have been speaking only by the courtesy of the Senator from Idaho.

Mr. SHORTRIDGE. Mr. President, a point of order. Who has the floor?

The PRESIDING OFFICER (Mr. FESS in the chair). The Senator from Idaho has the floor.

Mr. SHORTRIDGE. I thank the Chair.

Mr. BORAH. Mr. President, when the Senator from Connecticut gets through I shall be glad to yield to the Senator from California.

Mr. BINGHAM. May I say to the Senator that one of the provisions of the bill which the committee believe in is the plebiscite at the end of the period, because we think that at the end of the period the people of the Philippine Islands themselves, the great mass of the common people, will come to an understanding of the economic cost of independence. If they then want independence in view of what it is likely to cost them they will at least be voting with their eyes open, instead of with their eyes closed as at the present time.

Mr. BORAH. I really do not understand why the Senator should say they have their eyes closed at the present time. They have been demanding independence since the day we went in there. They have been schooling themselves into the idea that they were fit for independence. They have been equipping themselves for independence. They have had 30 years in which to consider the matter. Their eyes certainly were not closed. The Senator can not find any Filipino leader or otherwise who would admit that to be a fact. Indeed, they practically enjoyed independence when we went to the Philippines and took over the administration of their affairs.

Mr. BINGHAM. It has been called to our attention that Aguinaldo says he would like to see independence in 5 years, and have a period of 10 years of free trade. He knows what putting up a tariff barrier is going to do to those people. The Filipino leaders who are wise in the matter to-day do not desire independence with a tariff wall.

Mr. BORAH. I think Aguinaldo is exceedingly wise in the position he takes. He wants his people to be free and independent as soon as possible, to have all the attributes of independence, and he naturally wants the favor of a great country like the United States. What country does not? We know of two or three countries now that are particularly interested in favor from the United States. What country would not want that? Aguinaldo, in my judgment, is a wise leader in making the suggestion. He does not want to delay independence, because he knows perfectly well that no people ever acquired the capacity of self-government under any tutelage; it does not make any difference how kindly and beneficent that tutelage is. They have to learn it. As Woodrow Wilson well said, we can not hand democracy to a people. If we should grant independence to the Philippines 50 years from now, they would still have to go through the same experience, which is necessary to equip them for self-government, before they would be fit for it.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I do.

Mr. BARKLEY. The Senator from Connecticut suggested that at the end of 18 years the people of the Philippine Islands might vote in a plebiscite with their eyes open with reference to the cost of the Philippine government. As I understand, the Philippine people have been paying the cost of their own government for many years. They levy their own taxes. Their own legislature levies taxes for the support of the Philippine government. To that extent for a number of years they have had that experience, and already have their eyes open, have they not, as to the cost of their government?

Mr. BINGHAM. If I said "the cost of government," I misspoke myself. I meant the cost of a tariff wall. I did not mean the cost of government in the sense in which the Senator from Kentucky is using it, but rather the cost to their economic system of the loss of the free-trade market of the United States.

Mr. BARKLEY. Are not their leaders sufficiently farsighted to discount that at present, so that they may form some accurate estimate as to what that cost will be, if it is a cost?

Mr. BORAH. Mr. President, I yield the floor.

Mr. PITTMAN. Mr. President, I have to say once again there is no doubt in my mind that the Philippine people are educated to govern and are capable of better government than most of the Latin American peoples. I do say, however, that they are not completely trained, since they have not had the business experience in the financial end of government, because our Government has had practically exclusive control of them.

I wish to say another thing: That it is not only a wise thing in Aguinaldo to ask for 10 years of free trade with our country, but, in his opinion, it is a necessary thing, absolutely necessary. The view expressed by the Senator from Idaho that the experience of people in government must be their own experience and not somebody else's experience is also true, and those people would have been much better off if we had allowed them to go on with their government in 1898, a government which they organized, under a constitution which contained practically every safeguard to be found in our bill of rights. But we did not do it; that is the fact.

Mr. BORAH. And have we not in the meantime subtracted something from their capacity for self-government?

Mr. PITTMAN. We have not only subtracted something from their capacity for self-government but by the laws we have forced upon them we have put them in a worse position, so far as self-government is concerned, than that in which they were before 1898. I mean by that that in 1899, after we had given the Spanish free trade in those islands for 10 years—that is, their ships and commerce being admitted on the same conditions as were ours—then we commenced to exploit the Philippine Islands.

Mr. SHORTRIDGE. Mr. President, may I ask just one question?

Mr. PITTMAN. Allow me to finish this sentence.

Mr. SHORTRIDGE. Have we been a blessing or a burden to those people?

Mr. PITTMAN. There goes the Senator again on that.

Mr. SHORTRIDGE. I claim we have been a blessing to the Philippine people.

Mr. PITTMAN. It is a complex situation that I am trying to explain. In one sense, yes; in another, no.

We commenced to exploit them in 1899; how? We placed a protective tariff against importations from any country except ours. In other words, we said, "We want you to do business with nobody but us." The inevitable result and the natural result of that was that as other people could not sell to them, other people did not buy from them, and the trade was all between us and them.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. PITTMAN. In one moment. To-day 95 per cent of all the revenue business of the islands is exclusively with the United States, and they have no markets anywhere else; and if we give them independence under any theory, that will destroy their market here until they have time to build something else, and we will not be doing them an injustice, but we will be doing the most inhuman, cruel thing that was ever done, based upon the exploitation of our Government.

Now I yield to the Senator from Kentucky.

Mr. BARKLEY. On yesterday either the Senator from Nevada or some other Senator made the statement that the Philippine people over a period of years had bought some 67 per cent of their imports from the people of the United States. In view of the Senator's statement just a moment ago, that we forced them to levy tariffs against every other country except our own country, I am wondering whether that 67 per cent of purchases by the Philippine people from us was voluntary or involuntary.

Mr. PITTMAN. It was so natural that it is easily understood. When they sold their products here, they bought here.

Mr. BARKLEY. Of course they could import, without any tariff duties upon products coming from the United States. Of course they could export out of their country, and bring into the United States Philippine products, also free of tariff. I was just inquiring as to what extent their large purchases from us were voluntary, because yesterday I understood it was used as an argument in favor of the Philippine people that they had given us a very much larger proportion of their trade than they had given to any other country.

Mr. PITTMAN. It was very much larger. The figures I put in the RECORD yesterday.

Mr. BARKLEY. That would be perfectly natural, if they did not have to pay a duty on products from our country and had to pay duty on all products from other countries.

Mr. PITTMAN. People buy generally where they sell. They sold for gold in the United States and used the money to buy what they had to buy. But they have been forced to become a part of our economic and financial structure. That is where we stand. We did not want to do it. In 1899, when we proposed to place the Philippine Islands on a free-trade basis with us and proposed to require them to put a duty against every other country in the world except the United States, they opposed it in their legislature by a unanimous vote; but we made them do it anyhow.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. LONG. Suppose that in the pending eight years we permit the Filipinos to level the tariff wall on goods coming to the islands and just carry along our restrictions; would that encourage them to shorten the period?

Mr. PITTMAN. It might help things; I do not know to what extent. If we allowed them to reduce their tariff wall so as to come in competition, other people might start to buy from them, but I have heard no indication in the Congress whatever that we desire to give any other country the benefit of the trade in the Philippine Islands; nor do I think any such thing could pass.

Mr. LONG. I make the suggestion.

Mr. PITTMAN. I know there are many bright things suggested; but the Senator probably could not get the votes to carry it. The way things are drifting, from what we hear around Congress as to what the Members of Congress think is the best thing to do, I doubt right now whether any bill for Philippine independence will pass.

A bill passed the House which provided for independence in a short time. The amendment offered by the Senator from Louisiana [Mr. BROUSSARD] is practically the same as the House bill in the matter of time, providing for independence after eight years. If Senators vote for the amendment of the Senator from Louisiana, they vote for the House bill. We may as well understand that. But if the period of eight years is agreed to, as provided in the House bill, then we will have to change this whole bill, and we might as well proceed

to take the House bill instantly, without any change, if we are going to do it, because the provisions of the pending bill would have to be entirely altered. There would be no progressive tariff. That would go out entirely.

Mr. BORAH. Mr. President, will the Senator yield for a question?

Mr. PITTMAN. I yield.

Mr. BORAH. When I was speaking I had in mind a simple change in the time provision. The Senator says the entire bill would have to be rewritten. What are the material differences, then, between the House bill and the pending Senate bill?

Mr. PITTMAN. The material differences are, in the first place, that under the House bill at the end of eight years we would proceed to divest ourselves of sovereignty. The quota system in the meantime would be substantially the same—I think exactly the same. The pending Senate bill provides for 10 years, the House bill for 8 years.

After 10 years, under the Senate bill, they would proceed to have a tariff on the quota provided. A progressive tariff would be applied over a period of five years, steadily rising up to the maximum. Of course, that not being in the House bill, it will be dropped; we will have none of that.

Those are the two main distinctions. A plebiscite is provided for in the pending bill; that is, at the end of 15 years they would have a plebiscite to determine whether or not they wished to continue under the autonomous government that is established in the bill, and in the House bill, or whether or not they desired entirely to dissociate themselves. Those are the differences.

Mr. BORAH. If the Senate bill should be passed, and the entire matter should go to conference, would it be practicable then to so adjust the measures as to limit the time?

Mr. PITTMAN. I think I may say something that is so naturally to be expected that it is a violation of no confidence. We know that there is to be an adjustment in the conference committee between the House and the Senate, and we know that it will result in a shortening of the time. We know that. I say it is known; I suppose that is far enough to go. But if the Senate adopts the Broussard amendment, it not only throws the question of time out of conference but there are a lot of little details of the bill which it will throw out of conference. Of course, if the Senate is going to do that, if there are not to be left any questions for conference between the House and the Senate, and if the Senate adopts the Broussard amendment instead of attempting to try to push this bill, with its various little differences, we might just as well then substitute the House bill and adopt it and quit. That is a matter for the Senate to determine. I think we could work out a lot of these things much better in conference.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. McKELLAR. As I understand it, the pending bill is entirely satisfactory to the independence organizations as represented by the Filipinos here. Is that correct?

Mr. PITTMAN. It is.

Mr. McKELLAR. And they are entirely satisfied to have the Senate pass this bill. I want to say to the Senator that I am one of those who believe that independence ought to be granted at the earliest possible moment. On the other hand, I conceive the situation which the Senator has just pointed out, and it seems to me he has done it splendidly, namely, that there are certain relations, business and financial relations, existing between this country and the Philippines, the disregarding of which might be very hurtful to the Philippines, if we granted them immediate independence, and it does seem to me that a bill along this line, satisfactory to those who are asking for independence in the Philippine Islands, we might well pass. Therefore, though I am one of those who believe, and have long believed, in the immediate independence of the Philippines, if it could be properly adjusted, I think we ought to follow the recommendations of the committee in this case and pass the committee bill and settle the matter along the lines the

Senator has indicated, in the conference between the two Houses.

Mr. PITTMAN. I thank the Senator. I said practically all I wanted to say yesterday, and I know the Senator from California wants to speak on this subject, but I want to add one thing.

It is unfair to the Philippine delegation to attempt to commit them to a bill. The speech of Speaker Roxas, one of the delegation, before the House committee, so clearly explained their position that none of us should attempt to elaborate on it. The members of this delegation come here representing the Filipino people, elected by their legislature. The facts with which they are dealing are the same as those with which we are dealing. They want independence at the earliest possible date. In connection with that earliest possible date, they look to us to protect, for a certain period of time—as said by Aguinaldo, 10 years—their existing trade with the United States. Exactly how we are to do that they have not directed us. If, as Aguinaldo said, we give them independence in 5 years and free trade for 10 years afterwards, that would be far preferable to the provision found in this bill; but if we could not do that, they still want 10 years of free trade, and if the period of actual freedom must be moved up so as to get their 10 years of free trade, they have to take that. Consequently, we can not bind these gentlemen to say that they favor any particular bill.

As a matter of fact, when the committee of the House agreed on the House bill the members of the commission said, "The commission has done the best it can. We hope our friends in the House will support this bill." When it came over here to the Senate and the committee had done the best it could with it, the members of the commission said, "We have done the best we can. We hope the bill will pass. Then we would have the two bills go to conference and the question of time may be adjusted."

I have never known as able a commission to appear in Congress on behalf of any government as the one composed of these men. They are the ablest men of the Philippine Islands.

I have never known any more courageous or fearless men to be on a commission. Knowing the intense desire of their people for immediate independence and yet knowing the impossibility of carrying on an independent government without cession from our Government, they are unwilling to accept immediate independence in the face of a condition that would be destructive. It took courage to take that stand. If there are any men who know the individual sentiment of every Congressman and every Senator on the question of the legislation, they are the individual members of that commission. They are more interested in the enactment of legislation in this Congress than they are in the details of the bill. They know that some things can get a majority vote in this body and some things can not get a majority vote. They would not sacrifice the enactment of legislation that would result in the independence of their island people for the purpose of carrying out an academic suggestion, no matter how sweet it might sound to their ears. They are practical legislators. Let me read the list of names:

Hon. Sergio Osmena, acting president of the Philippine Senate; Hon. Manuel Roxas, speaker of the Philippine House of Representatives; Hon. Pedro Sabido, majority leader Philippine House of Representatives; Hon. Ruperto Montinola, minority leader Philippine Senate; Hon. Emiliano Tirona, minority leader Philippine House of Representatives; Hon. PEDRO GUEVARA and Hon. CAMILO OSIAS, Resident Commissioners.

The highest type of men in the islands have been selected to work with us all during the session, as they have done. They laid down the fundamentals of the legislation they desire looking to independence, and said, "We realize that minds differ, and we have to get what the majority will agree to."

Mr. LONG. Mr. President, did they not agree to the House bill?

Mr. PITTMAN. Exactly—as I said. When their representatives were asked what kind of legislation they wanted, they said, "We are legislators. You have 435 men here whose minds differ. There are two things we want. We want independence, and we want it under conditions that will not make it impossible for our government to operate when we get it. We do not want you ever to have to come back there to protect your people and what you call your property. We want you to put us in a position of justice, and you know what justice is, so that when we take hold of it we will have an opportunity to conduct the government."

When the House committee worked out the bill they said to their friends in the House, "This commission has done the best it can, and we hope you will pass the bill." The bill came over here to us and was considered, and we submitted a report, and they said to their friends in the Senate, "The commission has done the best it can, and we hope you will pass the bill."

Mr. LONG. Either one would satisfy them?

Mr. PITTMAN. They have expressed no preference.

Mr. LONG. Either one would satisfy them; but if we get down to what is really in their heart of hearts, does not the Senator think they prefer the shorter time?

Mr. PITTMAN. I should say some might want it, but I have no way of ascertaining. One's stand would always depend on the thought in the mind of the man as to how long he believed it would take to substitute a market for that which they now have. If I had charge of the Philippines, it would be a desperate thought to me, because I doubt how long it will take them to find a market to compete with China and Japan.

Mr. LONG. I ask the Senator if in his own heart of hearts he does not honestly believe a majority of those persons would prefer the shorter time, if they were to speak what truly is in their hearts?

Mr. PITTMAN. I can not say that. I tried to find out myself. They will not discuss it.

Mr. TYDINGS. Mr. President—

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Maryland?

Mr. PITTMAN. I yield.

Mr. TYDINGS. I have an amendment in my hand to make the time 10 years. It is restrictive in that it allows 800,000 tons of raw sugar. It fixes a limitation of 10 years. I know the Senator has devoted much more time to a study of this question than I have, and I am reluctant to offer the amendment unless he thinks it is worthy of being considered.

Mr. PITTMAN. I have no doubt the Senator has given careful thought to the amendment. So far as I am concerned, I could give an opinion very quickly without reading it.

Mr. TYDINGS. May I offer it as a substitute and ask that it be read after the Senator from Nevada yields the floor?

Mr. LONG. Mr. President, I want to submit a parliamentary inquiry. We are considering an amendment proposed by the committee. The senior Senator from Louisiana [Mr. BROUSSARD] has submitted an amendment to the amendment. Is an amendment to the amendment to the amendment at this stage in order?

The VICE PRESIDENT. It is in order under Rule XVIII.

Mr. PITTMAN. I would like to ask for information if by unanimous consent all after the enacting clause of the bill passed by the House was not stricken out and the Senate text substituted?

The VICE PRESIDENT. The Chair is advised that that is the pending question; that it has not been agreed to.

Mr. PITTMAN. I thought there was an agreement to substitute the Senate committee text for the House text.

The VICE PRESIDENT. The present occupant of the Chair is advised that that was not done. He was not in the Chair at the time the question was raised.

Mr. TYDINGS. Mr. President, what is before the Senate? Is it the amendment which I just offered?

The VICE PRESIDENT. The amendment before the Senate is the amendment of the Senator from Maryland to the amendment of the Senator from Louisiana.

Mr. PITTMAN. I would like to know exactly what is the parliamentary situation.

The VICE PRESIDENT. The question now is on the substitute proposed by the Senator from Maryland for the amendment of the Senator from Louisiana [Mr. BROUSSARD].

Mr. COSTIGAN. Mr. President, essential statements made in to-day's remarks by the eloquent Senator from Idaho [Mr. BORAH] were refreshing. They tended to lift the discussion to a higher level than that on which it was proceeding toward the close of yesterday's debate. In line with what the Senator from Idaho has said I desire to read one paragraph from an editorial in to-day's Washington Daily News, as follows:

We should free the Philippines now. They want independence. Whether it would be altogether to their advantage to have it is not the issue; they have the right of self-determination.

I ask that the entire editorial be incorporated in my remarks.

The VICE PRESIDENT. Without objection, that order will be made.

The editorial is as follows:

[From the Washington Daily News, Tuesday, December 13, 1932]

PHILIPPINE INDEPENDENCE

We should free the Philippines now. They want independence. Whether it would be altogether to their advantage to have it is not the issue; they have the right of self-determination.

Ever since the Wilson administration we have been promising them independence whenever they were ready for it. They are as ready now as they ever will be.

Of course, we have a responsibility to them. We can not fairly cut them off economically from the United States overnight after having made them largely dependent on free trade with us. There should be a brief period—say five years—in which they could continue to have tariff preferences for approximately the same amount of exports as now. That will give them time in which to readjust their economic life on an independent basis.

But under no conditions should we retain or accept any political responsibility for the islands after the grant of immediate independence. That should be made definite and clear in the legislation.

We can not be responsible for that over which we have no control—otherwise we might be plunged into all kinds of dangerous international complications.

Two objections have been raised to the course we outline. Some say that Japan would take the islands when America lets go of them. On the contrary, there are good reasons to believe that Japan does not want them for colonization and that she would join in any international guaranty of their sovereignty.

Some others have objected to giving the Philippines a trade preference, even for a brief transitional period, on the ground that it would injure our sugar growers and other farmers. In our judgment, any such temporary economic loss would be more than outweighed by the large naval economy the United States could achieve by drawing in its defense lines from the far Pacific.

To the United States the Philippines are a political, economic, and naval liability. If they wished to remain under our flag, it would be our duty to keep them regardless of the liability. But since they want independence, the sooner we give it to them and relieve ourselves of the heavy responsibility the better.

Mr. COSTIGAN. Mr. President, unfortunate reflections were cast yesterday on motives animating alike some friends and some opponents of the pending measure. It is to be hoped that we have heard the last of insinuating criticisms, which enrich no argument. Colorado is one of the States in which sugar beets are grown and converted into sugar, but so far as is humanly possible I trust that its votes will be governed by one consideration only, and that—the early grant of Philippine independence under reasonable safeguards to their deserving people.

It is true that various commercial interests are contending for and against the pending measure. That is to be expected. The important fact is that the Senate faces a dilemma. The able Senator from Utah [Mr. KING] wishes to emancipate the islands from American domination within three years, which may entail heavy economic burdens. At the other extreme we have a suggestion of the surrender of sovereignty in approximately 20 or 25 years. There is danger that the entire subject of Philippine independence will be cast aside unless the Senate proceeds on lines of moderation in keeping with American traditions.

Mr. LONG. Mr. President, will the Senator from Colorado yield?

Mr. COSTIGAN. I yield.

Mr. LONG. Inasmuch as the Senator is discussing the amendment of the Senator from Maryland [Mr. TYDINGS], I wish to renew my point of order on the matter and ask a ruling of the Chair.

The VICE PRESIDENT. Will the Senator from Colorado continue his discussion until the Chair has an opportunity to examine the amendment, which he has not yet had?

Mr. TYDINGS. Mr. President—

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Maryland?

Mr. COSTIGAN. Certainly.

Mr. TYDINGS. I dislike to interrupt the Senator, but in order to clear up the parliamentary situation I withdraw my amendment and offer as an amendment to that pending on the desk as a substitute for the Broussard amendment, to insert the word "ten" instead of "eight" where it relates to the years.

The VICE PRESIDENT. Without objection, that may be done.

Mr. TYDINGS. I thank the Senator from Colorado.

Mr. COSTIGAN. Mr. President, I trust the time finally fixed for independence will be shorter than that urged by the respected Senators from Missouri [Mr. HAWES] and Nevada [Mr. PITTMAN] because of the substantial fear that a prolonged postponement with a plebiscite at the end of some 20 years may be fatal. Powerful economic forces, entrenched in the Philippine Islands and elsewhere, and military and naval supporters, desiring to use those islands for military purposes, might be able thereby further to postpone and perhaps prevent the achievement of the objective most of us here to-day presumably have in mind.

Mr. President, the effect on world prices and competitive conditions of stimulated production in the Philippine Islands under our steadily advancing tariffs has long been recognized. Successful production in those islands has responded so definitely, and even in excess of prediction, to that stimulus that it has even been logical to urge that with duty-free imports from those islands our domestic sugar industry would be better off with somewhat lower rather than higher tariffs. Nevertheless, our tariffs within the last dozen years have advanced successively to higher figures. With each such advance in our sugar tariff the sugar industry in the Philippine Islands has expanded and our tariff bounties to Philippine sugar producers have become more substantial until it is increasingly important to consider the desirability of granting bounties under a modified tariff to our continental beet and cane growers as a feature of American farm relief.

It is true, as already suggested, that a desire to reverse this course has brought certain domestic sugar interests into the camp of those who are pressing for freedom of the Philippines on commercial grounds. Philippine investors in sugar, on the other hand, are pressing at this hour for the postponement of independence and the retention of all possible duty-free advantages. Personally, as one of those who have long been impressed by the economic interpretation of history, I have welcomed the impulse of events toward Philippine freedom, not because I put economic interests first but because the invaluable blessing of liberty rises far above such interests. It should be added that, even if certain domestic interests in Colorado, as elsewhere, are at this time urging Philippine independence for what they consider their material gain, the people of Colorado as a whole are, above all else, wedded to justice for its own sake to the Philippine people. Certainly our mountain-inspired citizens are as liberty loving as any sons and daughters of the seven seas.

Liberty is worthy of sacrifices. Our forefathers paid for colonial independence with blood and treasure. The Philippine people will be fortunate if, as we hope, minor economic readjustments are the principal problem before them after our national trusteeship shall have been happily and voluntarily terminated in accordance with our national promises.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Maryland

[Mr. TYDINGS] to the amendment of the Senator from Louisiana [Mr. BROUSSARD].

Mr. HAWES. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Johnson	Robinson, Ark.
Austin	Cutting	Kean	Robinson, Ind.
Bailey	Dale	Kendrick	Schall
Bankhead	Davis	Keyes	Schuyler
Barbour	Dickinson	King	Sheppard
Barkley	Dill	La Follette	Shipstead
Bingham	Fess	Lewis	Shortridge
Black	Frazier	Logan	Smoot
Blaine	George	Long	Steiwer
Borah	Glass	McGill	Swanson
Bratton	Glenn	McKellar	Thomas, Okla.
Broussard	Goldsborough	McNary	Townsend
Bulkley	Gore	Metcalf	Trammell
Bulow	Grammer	Moses	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Nye	Walcott
Carey	Hatfield	Oddie	Walsh, Mass.
Cohen	Hawes	Patterson	Walsh, Mont.
Connally	Hayden	Pittman	Watson
Coolidge	Howell	Reed	White
Costigan	Hull	Reynolds	

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. DILL. Mr. President, I shall not detain the Senate by any extended address; but I desire to explain my position regarding this bill and the pending amendment.

The question of Philippine independence is a burning question on the Pacific coast. The people who live there have problems growing out of Philippine immigration and Philippine imports that are much more acute than in other sections of the United States. For my part, I should like to vote for Philippine independence at the earliest possible date that will not be seriously destructive of American interests in the Philippines; I should like to vote for an intervening period of five years instead of eight years; and yet I am constrained by the judgment of Senators on the committee who have made a long and careful study of this question. Therefore, I am willing to accept the 8-year amendment of the Senator from Louisiana [Mr. BROUSSARD].

It seems to me that if we intend to give the Philippine people independence at all, an 8-year limitation is, indeed, a considerable period of time, and to extend it to the period of 18 years as provided by the Senate bill would be such an extension that it would make the bill practically worthless from the standpoint of independence. There may be in the measure other features which are desirable, but certainly from an independence standpoint it becomes worth very little. So I have concluded to vote for the amendment of the Senator from Louisiana providing Philippine independence after eight years. My first intention was to try to amend the amendment so as to assure independence after five years, but, for the reasons I have stated, namely, the careful consideration given to the question by members of the committee and their decision, I am constrained not to attempt to do that. If I vote for the amendment of the Senator from Maryland providing independence in 10 years and that shall be adopted, of course it will preclude us from adopting the 8-year amendment. So I shall vote against the 10-year provision, in the hope that it will be defeated and that we may adopt the 8-year provision.

Mr. BINGHAM. Mr. President, will the Senator from Washington yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Connecticut?

Mr. DILL. I yield.

Mr. BINGHAM. Does the Senator from Washington feel with the Senator from Idaho [Mr. BORAH] that there should be no restrictions at all during that 8-year period?

Mr. DILL. I am not so concerned as the Senator from Idaho is probably, as to that phase of the question; but I believe that we shall never prepare the people of the Philippines for independence so long as we bind them too closely and too rigorously under rules of this Government.

Mr. BINGHAM. Does the Senator favor the committee's position that there should be a graduated year-by-year scale of increasing tariff arrangements in the shape of an import tariff so as to help the Filipinos pay off their bonded indebtedness?

Mr. DILL. I think that provision is a good provision, but I think it has been entirely overdone in this bill.

Mr. BINGHAM. Does the Senator desire that there shall be a 5-year step-up rather than a 10-year period when nothing is done?

Mr. DILL. I object to the proposal that there should be 18 years taken in order for us to get ready to get out of the Philippines.

Mr. BINGHAM. The Senator realizes that the 18 years consist of a 10-year period of economic adjustment and status quo, 5 years of a step-up and 3 years merely is to accommodate the Filipinos in shaping their own legislation and holding a plebiscite.

Mr. DILL. I think the second plebiscite is absolutely unnecessary. I think it is a mistake to have a second plebiscite. That is one of the principal reasons why I am in favor of the amendment of the Senator from Louisiana.

As to the 18-year period, I have no way of knowing what conditions will be 18 years hence. I can judge but little of the possibilities of what will develop in 18 years by looking backward 18 years; and when I look backward 18 years I find myself away back at the beginning of the World War.

Who could have foreseen 18 years ago—aye, even 12 years ago—the world conditions that now exist? So, from my viewpoint, it is little short of ridiculous to talk about a bill that grants independence 18 years from now.

Mr. BINGHAM. I was not asking the Senator about that. I was asking the Senator whether he favored a gradual step-up period, with the export duties attached, which would help the Filipinos to pay off their bonded indebtedness. That is one of the principal features of the bill, as worked out by the Senator from Nevada and the Senator from Missouri, which is absolutely destroyed by the amendment of the Senator from Louisiana.

Mr. DILL. I do not favor the provisions as advocated by the Senator from Nevada and the Senator from Missouri, I will say to the Senator. My desire is to have a set time at which independence will actually arrive and be declared, without going through the process of having an election and having the American interests that have already fastened themselves on the Philippines preparing for that election during all this period, getting ready for that election, that they may defeat the plebiscite. I think that in itself is one of the worst things that could exist in the Philippine Islands during the period in which they prepare themselves for independence. It will be to the interest of those who want to prevent the plebiscite from succeeding to make the government of the Philippines a failure, so far as possible, in order that the plebiscite may fail. That is why I am so strongly in favor of the amendment of the Senator from Louisiana, which proposes to grant independence after a stated and fixed period.

Mr. BINGHAM. The Senator realizes that under the aegis of the United States Government a very large number of Americans in this country have invested in Philippine bonds, which were offered at a rate of interest comparable to that of the bonds of States and Territories, because it was believed that the United States was under a certain obligation to see that those bonds were paid. If independence is granted at the end of eight years, as the Senator desires, there is no assurance that the bondholders in this country will receive their obligations. If the bonds had been sold on a basis of independence, the Senator realizes that the rates of interest would have been comparable to those of the bonds of most Central or South American countries, namely, 8, 10, or 15 per cent.

Has the Senator any suggestions to make as to how the bondholders in this country who bought their bonds after advertisements by the War Department may be protected?

Mr. DILL. When the Senator brings up the question of South American bonds and compares them to the Philippine bonds, I want to say to him that he has gone into a field of conjecture and of lack of soundness of investment that I do not now want to discuss. I do not think it is worth discussing here. I believe that the Philippine republic will be able to pay its bonds; and I refuse to have a large section of the United States—in fact, I believe the great mass of the people of the United States—burdened with a continuation of our sovereignty in the Philippines under the excuse of helping a few bondholders who purchased their bonds knowing that the promise of independence had already been made by the Congress of the United States.

Mr. BROUSSARD. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Louisiana?

Mr. DILL. I yield to the Senator.

Mr. BROUSSARD. Is it not a fact that these bonds were issued and sold in the face of the Jones resolution pledging the Congress to give the Philippines their freedom, in the face of the declaration officially made by President Wilson that they were ready for self-government and should have it, and in the face of the limitations which have been repeatedly sought to be imposed upon the Philippines since 1928, during which period since 1929 they have increased their production 100 per cent and now are asking us, after receiving these subsidies for many years, to continue that amount of importations into this country free of duty?

Mr. DILL. The Senator is exactly right. That leads me to refer to my own experience in connection with the Philippine question when I was a Member of the House of Representatives in 1916.

In that year the Senate passed a bill providing for the independence of the Philippines, and setting, as I recall, a fixed period for independence to go into effect. That bill came to the House of Representatives. It was passed; but a certain segment of the Democratic Members of the House at that time insisted that the fixed period—I think it was a two to four year period—should be stricken out and the number of years left indefinite, using the argument that it was not safe to fix a time for the end of American control. When that amendment was adopted, the same majority proceeded to appoint conferees and instruct them that they should not yield on that proposition.

Then and there the doom of Philippine independence for many years to come was sealed. The effort in this legislation is to seal again the doom of independence for the Philippines, not by expressly saying that we will not give them independence, but by fixing a date so far distant that nobody knows what conditions will be, either in the Philippines or throughout the world; and, worst of all, providing for a plebiscite which every monetary interest that wants to stay in the Philippines will be working to control during all of the 18-year period.

It seems to me that the committee bill as it comes here is designed by those who are opposed to independence to set up certain conditions that will make it practically impossible to bring about independence, even at the end of 18 years. That is why I want to see in this bill a definite time—8 years or 10 years, if we must have it, but a definite time—when American control of the Philippine Islands will end.

I believe we shall never get out of the Philippines until we fix a definite date, upon certain conditions to be performed by the Filipino people themselves, when we will withdraw our control. I believe it is in the interest of the Filipino people, I believe it is in the interest of the American people, I believe it is in the interest of the world, that we should get out of the Philippines and get out on a definite date.

Mr. SHORTRIDGE. Mr. President, it is much to be regretted that the Senator from New York [Mr. COPELAND] is not with us to-day, called away as he has been by a filial duty.

I listened respectfully, with much interest, to the argument of that Senator in respect of our constitutional power to withdraw our sovereignty over the Filipino people. With unfeigned respect for that learned Senator, and assuredly with great respect for the memory of Mr. Daniel R. Williams, who discussed that question with great learning, I am not in agreement with them.

Without elaborating my views or giving my reasons in support of them, I content myself by stating that I am of firm opinion that we have the constitutional power to withdraw our sovereignty over the Philippines; or, to express my view in this way, that we have the constitutional power to grant absolute, complete independence to the eleven or twelve millions of people inhabiting those islands away yonder across the Pacific. In a word, I think we have the constitutional power to pass, enact into law, a bill such as the one now before us.

History may take note of what goes on here to-day, and therefore for the official RECORD I read a sentence from what the Senate of the United States said when it advised and consented to the ratification of the treaty with Spain, after the Spanish-American War—the war that took us into the Orient. The Senate, when advising the ratification of the treaty of Paris, expressly declared that it was not intended, by approval of the cession of the Philippines by Spain, to—

Incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor . . . to permanently annex said islands as an integral part of the United States; but . . . in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands.

And here I wish to emphasize my firm belief that it is our duty to consider first the welfare of the people of the United States—not that I am indifferent to the welfare of the people of the Philippine Islands; far from that. I wish them peace, prosperity, and happiness. I wish them liberty of lip, and of hand, and of the press. I wish them all the blessings of freedom; but I think my first duty and our first duty is to consider and hold uppermost the welfare of the people of the United States of America.

I have sat here with patience and respect listening to figures, to arguments, to remarks of and concerning trade, commerce, money. Trade and commerce and money are important things, but liberty is more important. Independence is more important.

I do not recall that Patrick Henry, yonder in Virginia, spent much time in discussing money or trade with Great Britain when he stood up and uttered his immortal speech, closing with those sublime words, "Give me liberty or give me death!"

I do not recall that Thomas Jefferson spent hours in discussing the trade relations between the thirteen Colonies and Great Britain when he was drafting the immortal Declaration.

I do not recall that Warren, who died on Bunker Hill, nor any of the patriot fathers who met in convention and passed our and their Declaration of Independence were moved entirely by trade or commercial or money considerations.

It is true, sir, that there were some Tories in New York, perhaps in Boston, perhaps in Philadelphia, perhaps elsewhere, who opposed independence upon commercial grounds. But enough of that. I merely allude to it to indicate that while I am not indifferent to this subject matter of trade between the Philippine Islands and the United States, I am holding as more important our duty to carry out our promises and to give liberty, independence, to a people who struggled for 300 years for liberty and independence.

In 1916, Mr. President, Congress, as Senators all recall, in the preamble to the Jones law, declared that—

It is . . . the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and recognize their independence as soon as a stable government can be established therein.

I undertake to say that there is a stable government in the Philippine Islands. I go farther, and, with respect to

other nations north or south or east or west of us, state that there is as stable a government in the Philippine Islands at this hour as there is in many other independent countries of the world. If we were deferring the granting of independence to the Filipino people until the establishment of a stable government, that stable government exists, and the time is ripe for us to act and grant the independence promised.

Mr. FESS. Mr. President, will the Senator yield?

Mr. SHORTRIDGE. With pleasure.

Mr. FESS. I do not think that I differ from what is being said by the Senator when he says that we ought to consider American interests first; but I have wondered whether, when we announced our policy originally, which seemed to be the only thing we could do, we did not have what we regarded as the best interests of the Filipino primarily in mind rather than our own, and whether in all these years all that we have done has not been primarily for the benefit of the Filipino, as we see it, rather than the benefit of the American people.

Mr. SHORTRIDGE. I think I can agree with the thought expressed by the suggestions of the Senator. We have indeed been altruistic, and I repeat what I said a moment ago, that we have been a blessing, an unmixed blessing, to the Filipino people. We gave and guaranteed to them the same rights that we enjoy—free lips, free hands, a free press, equality of opportunity, and protection to life and property. That is our splendid record.

Mr. FESS. If the Senator will permit further, being in the House of Representatives when the Jones bill was under discussion, and being on the Insular Affairs Committee, on which I served from the time I entered the House, that was my only concern. I thought it was the only thing we could do, follow a policy we had already inaugurated, and that we could not do anything short of that. For that reason I questioned the wisdom of the Jones bill at that time. But I confess to the Senator and to the country that, with the agitation which has gone on, I have about reached the conclusion that it would be better for the United States for us to give the Filipinos their independence as soon as we can do it.

Mr. SHORTRIDGE. Mr. President, what I say may be forgotten within the hour, but I am going to recall what others have said, which has not been, and never will be, forgotten. In 1793 George Washington warned the United States to keep out of Europe, and thus far the United States has heeded and followed the wise, far-seeing advice of the Father of his Country.

In 1823 James Monroe warned Europe to keep out of America, and hence the Monroe doctrine; and thus far Europe has deemed it prudent to heed the advice of James Monroe. It is true that Great Britain once threatened to violate that doctrine, but Grover Cleveland was in the White House, and Great Britain was persuaded to desist.

It is true that Germany once threatened to violate that doctrine; but, thank God, Theodore Roosevelt was in the White House, and Germany deemed it prudent to desist that Monroe doctrine.

Washington, as I have said, warned us to keep out of Europe and Monroe warned Europe to keep out of America, and if I, humble as I am, may presume to advise my country, I this day advise the United States to get out of the Orient; and, if without presumption I may warn the United States, I warn her, when she gets out of the Orient to keep out of the Orient.

We do not wish, nor did our fathers wish, to be entangled in the international, century-old controversies, slumbering animosities, as among or between European nations; and since the United States was the inspiration for the freedom of Central and South America, our fathers did not wish, we do not wish, great, powerful European nations to invade America and interfere with the independence of the republics of the New World.

At the expense of repetition, I do not wish the United States of America to become involved in oriental politics. I want her to keep out of the Orient, to withdraw from the

Orient, to come home, and grow and develop here on this continent.

Wherefore, I am in favor, and for years I have been in favor of granting independence to the Filipino people. We listen here to argument and discussion as to whether they are capable of independence, capable of being free. They struggled for 300 years to be free. They petitioned Spain, they prayed to God, they fought, they died in order to be free.

Providentially, out of the Spanish-American War we, the United States, were able to break the chain of Spain, to break the yoke, and we promised that we would then give to the Filipino people that which Spain had refused to grant for all those centuries.

I do myself the pleasure of saying that I once thought that the Filipino people would forever bless us. I thought then that the Filipino people would be proud, would be happy, to find freedom beneath the Stars and Stripes, that they would be happy and grateful to walk under the banner of this Republic, to be granted freedom of speech, freedom of the press, freedom to worship, freedom to toil, freedom to live, and freedom to die.

I thought as perhaps the American people thought and believed. But I overlooked something. Temporarily I forgot something. I overlooked, I forgot, that there is inherent and ineradicable in the heart of a separate people a desire for independence, a desire to be free, a desire to shape their own destiny, to control their own affairs. I overlooked that. So it came about that no sooner had we established ourselves in the Philippines, no sooner had the Filipino people been given shelter under our flag, than there arose the demand for independence—natural, as natural as it is for man to desire to live; and from that hour until this day they have pleaded for independence with masterly argument, and with an eloquence which excites our envy. They have great scientists, they have great artists, they have great lawyers, and, as we know, they have great orators. Indeed, one of them, speaking before our Finance Committee, brought not only conviction to us, but to me tears, when he spoke of his native land, of liberty, of the right of his people to be free.

I want my country, Mr. President, to have the honor and the glory of granting independence. I do not wish to have it extorted from us. I want it granted by the pen rather than to have it torn from us by the sword. To repeat, I want the United States of America to have the honor and the glory of freely giving and granting independence to the Filipino people. Nor do I wish to delay that independence indefinitely, until you and I and all of us have gone on the long journey. I want to give them independence not 20 years from now but speedily. Wherefore I am with those Senators who wish to shorten the period, the so-called transition period. I would limit it to five years, for within that period of time the economic, the trade relations can be so adjusted as to do no injustice to the Filipino or to the American investment. I do not wish it understood here today, nor have myself misrepresented elsewhere, as being indifferent to the investments of Americans in the Philippine Islands, nor to the investments of the Filipinos since we took over jurisdiction of those islands. But I venture to say that within five years those investments can be adjusted in such manner as to work no injustice either to the Filipino residents or to the American citizen.

We know the origin of our sovereignty over the Philippine Islands. We know what we have done. I repeat what I said, that we have been a blessing to the Filipino people. We have not been a burden to them. Upon the contrary, they have prospered commercially, if that is what we mean by a blessing. They have prospered commercially since we took over jurisdiction. We have not been a burden on them. I wish to emphasize that fact, because I do not wish the record to be misstated; I do not wish to have the assertion that we have been a burden on the Filipino people to go unchallenged, undenied. Our record in the Philippines does us honor and should inspire gratitude in the hearts of those people.

Mr. FESS. Mr. President, will the Senator yield further?

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Ohio?

Mr. SHORTRIDGE. Certainly.

Mr. FESS. I appreciate the sensitiveness of the bond argument. I do not see how that can be solved. I am looking ahead and seeing the time when there will be many claims come in against the Government, setting up certain claims that we did so-and-so, and therefore the Government is responsible.

Mr. SHORTRIDGE. The United States Government?

Mr. FESS. Yes.

Mr. SHORTRIDGE. Does the Senator think the Filipino government will violate their obligations or will fail to carry out in good faith the obligations which they will assume?

Mr. FESS. I am referring to the bondholders.

Mr. SHORTRIDGE. I do not care particularly what the bondholder does. If he gets his money, that is all he wants.

Mr. FESS. If he does not get his money, will he come to the United States Government and claim we are responsible for it?

Mr. SHORTRIDGE. If he should, I think he would be denied; but I do not go upon the theory that the Filipino government to be set up will not take care of those bonds. I think it will.

Mr. FESS. But if it does not?

Mr. SHORTRIDGE. I think the Filipino government will be as honest as France or Great Britain—perhaps more so. I think they will observe their bond, their agreement, and pay without reservation or desire to cancel or indefinitely continue or postpone.

Mr. FESS. Why does the Senator mention France and Great Britain?

Mr. SHORTRIDGE. By way of illustration. I think that France owes the United States a certain amount of money, solemnly agreed upon, some presently due and payable, some to become due and payable during the coming half century. I think that France should, and I hope will, pause before she forfeits and loses her reputation by failure to observe her plighted promise. That is what I think and to which I made vague reference.

Mr. FESS. I think the Senator probably misinterpreted what I had in mind. What I have in mind is that while I sympathize with the bondholders, I do not see that that is a legitimate argument against taking action here, because whatever we do if the bondholder is not satisfied, he will probably make an appeal to this Government, but it certainly should be without avail. I think the Senator misunderstood what I had in mind—that the argument on the bond question has some interest, but I do not think it can be determining at all.

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Tennessee?

Mr. SHORTRIDGE. I yield.

Mr. McKELLAR. The Senator had something to say about France and Great Britain and what they are thinking about their obligations. Does not the Senator recall that 15 or 20 years ago both France and Great Britain had a great deal to say about Germany treating a certain treaty as a "scrap of paper"?

Mr. SHORTRIDGE. Indeed, I do.

Mr. McKELLAR. It looks like they are following in the footsteps of Germany in treating their own obligations as very inconsequential scraps of paper.

Mr. SHORTRIDGE. Of course, Mr. President, any remarks touching those two great peoples have no direct bearing upon the bill before us, but when we are talking of bonds or agreements as between or among nations I perhaps am or will be justified in adding this, in view of the suggestions of the Senator from Ohio and my learned friend the Senator from Tennessee. We advanced, loaned to France and to Great Britain, our former allies in the great tragic World War, in amount vast sums of money. Later those great nations, through accredited representatives, entered into fixed, definite agreements with us in

respect of the moneys advanced severally to them. I undertake to say that we were not a heartless creditor. In any event the agreements were entered into. They were understood. There was nothing indefinite, there was nothing ambiguous, there was nothing unintelligible in the agreements severally entered into between us, the United States and Great Britain and France.

Those agreements were entered into knowingly, not under compulsion. We did not force those agreements, not with sword in hand at the throat of France or of Great Britain, nor with bayonets at their breasts, but as former allies, as friends, we sat with them and entered into these agreements. I said the other day, and I here now say, that I can not believe they will part with their reputation by violating the agreements entered into. I said then—and, of course, those who know me know my great admiration for the land of Shakespeare, my great admiration for the land of Lafayette—that there is honor even among thieves, and assuredly there is honor among honorable nations. I assume that they, Great Britain and France, are honorable nations. Therefore I can not believe that they will violate their agreements.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from California yield to the Senator from Tennessee?

Mr. SHORTTRIDGE. I yield.

Mr. McKELLAR. The Senator spoke of agreements made some years ago and about their being solemnly made by those nations, with their eyes wide open and under no duress, all of which is entirely true.

In addition to that, I want to invite his attention to the fact that so far as the war debts were concerned the war debts of France and of Italy and of Belgium were all canceled, and more, by those very agreements. While the agreement with Great Britain did not cancel all of the pre-armistice debts, as Mr. Mellon stated in his report and as all of the commissioners stated in their reports, the amounts that Great Britain now owes us are not war debts at all but are part postarmistice debts and the other part debts for money that was used for commercial as contradistinguished from war purposes. So that by the agreements to which the Senator referred, which were entered into several years ago, all the war debts of those nations have already been absolutely canceled and the debts we now hold against them are commercial debts made for the purpose of carrying on their governments, of building up their armies and navies, of looking after their soldiers—even giving them a cash bonus out of money borrowed from this country—and for other governmental purposes. Therefore the statement so often made that these are war debts is wholly a misnomer. They are commercial debts which they now owe to us.

Mr. SHORTTRIDGE. My remarks will apply not only to Great Britain and France but to Italy and all the other nations of Europe who owed us money and agreed to pay us at certain times.

It may be recalled that I made a vain attempt to have Uncle Sam loan a little money to Liberia. It may be remembered that we had loaned \$5,000,000 to little Latvia, up there on the Baltic, and I undertook to have this Government loan a little money to Liberia, the colored Republic on the west coast of Africa.

Mr. McKELLAR. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Tennessee?

Mr. SHORTTRIDGE. Yes, sir.

Mr. McKELLAR. And much ado was made about it in the newspapers, as will be remembered, and yet Liberia is one of the few nations that have paid back to this country the money borrowed by them.

Mr. SHORTTRIDGE. Precisely. I know, as we all know, that this Nation had taken a lively, disinterested interest in the little Republic of Liberia, and I thank the Senator from Tennessee for putting here of record the fact that Liberia

has honored her agreements and paid, as I understand, what she owed us.

Mr. President, I said at the outset that I had listened respectfully to arguments touching our constitutional power to withdraw our sovereignty from the Philippine Islands. I wish to add this: There has been an argument made that we can only withdraw sovereignty by or through treaty arrangements, the treaty, of course, under our Constitution, to be entered into on our part by the President and the Senate. Not to discuss that legal point, my view is that the Congress, by way of a bill passed through the other House and the Senate and approved by the President may grant independence or surrender sovereignty over territory and its people, as the pending bill proposes to do.

So, Mr. President, I content myself this day with again calling the attention of the Senate and of the country to the century and more old policy of the United States. That policy has been to follow the advice of Washington and keep out of Europe, expressing his views thus briefly. Under that policy and the policy of James Monroe, which, in brevity, was that Europe should keep out of America, we have grown and become what we are, a great Republic, from 13 to 48 quasi-sovereign States. I hope it will not be considered presumptuous on my part to advise the United States to get out of the Orient, and, being out, to remain out.

Our people do not wish, as a people, to go to the Orient, and, for racial reasons, we do not wish the orientals to come to this country. That attitude is not taken in hostility to them. Not in hostility to China did my valiant colleague [Mr. JOHNSON] and I years ago in California fight for the exclusion of the Chinese; not at all. Neither of us hated the Chinese. The American people do not hate any oriental people. We do not hate any nation, any people. The nation and the man who have hate in their hearts have made a nest of vipers of their hearts. We of California fought against Chinese immigration for racial and economic reasons, having uppermost in mind the welfare of our country. Later, as we know, we passed a law excluding all peoples not eligible to United States citizenship; not that we hate those peoples but out of first regard for our own country under our form of government.

I do not wish the Senate or our people to forget the fact that our national naturalization policy has been, with one exception, to limit the right of naturalization to what I may speak of as the white race; but when Chinese or Japanese or Filipino or Malay or any branch of those races, man or woman, comes hither, if permitted to come, children born of them are citizens of the United States; and there is the embarrassment of the parents owing allegiance to a foreign country and children owing allegiance to the United States; embarrassing, perhaps, in time of peace, but certainly embarrassing should trouble arise as between the nations. So I want our people to keep out of the Orient and I want the Orient to keep out of the United States. We can have trade relations; we can be friends; but I do not think it is for the interests of this country nor, indeed, for their interests that there should be a mingling of these essentially unassimilable peoples here in the United States.

I earnestly hope that, after argument has been concluded, we may limit the time of giving complete, unrestricted independence to the Philippine people. I think five years is ample to work out this transfer, so to speak, of sovereignty, and then let them shape their own destiny. They petition, they clamor, they appeal for independence. Let us give them independence. I hope they will prosper. I hope they will continue independent. I hope they will develop in all the ways of enlightened civilization. I hope they will reap what is the end and the aim and the aspiration of every people, and that is happiness. In any event, we will not be responsible for their destiny. If they reach an earthly paradise or falter and fall, retain or lose their independence, it is their affair; we will not be responsible.

I shall favor the amendment proposed by the Senator from Louisiana [Mr. BROUSSARD], which, as I understand, is now pending, subject to the proposed amendment of the Senator

from Maryland [Mr. TYNDINGS]; but I shall favor limiting the time to eight years, which I understand to be the limit under the amendment proposed by the Senator from Louisiana.

Mr. BROUSSARD. That is the time limit provided.

Mr. SHORTRIDGE. Begging pardon of Senators for having detained them, I now yield the floor.

Mr. SHIPSTEAD. Mr. President, in view of what the Senator from California [Mr. SHORTRIDGE] has said in regard to government debts, I wish to call attention to a practice that has been going on in the conduct of our international affairs for some time, a practice to which I have called the attention of the Senate heretofore but which I am going to call to its attention again, because I think it bears repetition. It has to do with delegations, sometimes secret, sometimes covert, of private citizens going to Europe, sitting in conference with representatives of foreign governments ostensibly as private citizens, though in the publicity organs of this country and of Europe it is given out that they, at least semiofficially, represent the Government of the United States.

There is something in what Premier Herriot said in the French Chamber the other day to the effect that we mixed in European questions when the Government of the United States permitted General Dawes and Mr. Young to go to Europe and "put over" the Dawes plan and the Young plan. While they went over as private citizens, and we understood they were going as such, other countries were of the opinion that they represented the United States Government. So there is undoubtedly some reason why those nations should have expected that we would continue to connect interallied debts with reparations; and when they saw how the moratorium had been arranged, when the Senate was not in session but could be voted by telegraph instead of by being called into extraordinary session, as the Constitution provides, it was natural that they should believe that the executive department of our Government had the power and authority to deal in the matter, as they seem to think the Executive had pledged them to certain action as to which they say are now welshing.

I hope the time will come when we will follow the course originally intended, and that we shall deal as a Government openly and above board through the regular channels of the Diplomatic Service. If our Foreign Service is composed of men of such lack of ability that they are not capable of sitting in these conferences, wherever we ask them to sit in, we had better get men in the Foreign Service who are capable of representing the Government of the United States as it should be represented. So far as I am concerned, I do not think that is necessary, for I believe that our Foreign Service is fully capable of representing the Government of the United States.

However, I think it should be pointed out that these people who go out as individuals represent private interests here; and it is a policy that casts reflection on the Government of the United States, on our Foreign Service, and brings us into trouble, because when these deals are made with foreign governments by private citizens, while they may be called unofficial, sooner or later the Government of the United States is asked to underwrite these deals officially; and when the Congress refuses to do so we are accused by the rest of the world of not playing fair and welshing.

So I think a good deal of this misunderstanding has come as a result of these unofficial private commissions that go out, and ostensibly the world is at least led to believe they speak for the American people.

So far as the Philippine bill is concerned, I want to say that I always have been for the freedom of the Philippines. I doubt very much that there will be any Philippine independence under this bill, however. Under it, freedom for the Philippines can be accomplished only through a very cumbersome process. They must have five different plebiscites. If I had wanted to write a bill—and I say this with all due respect to the members of the committee and the supporters of this bill—to prevent freedom of the Philip-

pines being accomplished, I would have written this kind of a bill.

I am going to vote for the amendment of the Senator from Louisiana [Mr. BROUSSARD], the amendment that is now before the Senate. I wish the time had been three years. As a result of carrying the Philippines all these years, our farmers have sustained the greatest part of the burden. The products of the Philippines come in here in overwhelming quantities in competition with farm products. At the last session of Congress, when the tax bill was before the Senate, I offered an amendment to tax these products. That amendment was voted down because it was felt by the Senate that we should not tax the people of the Philippines, or put a tariff on our imports from there, because of the fact that they were under the flag of the United States.

I do not believe that the question of freedom for a people should be determined upon the quantity of sugar or copra or coconut oil that comes into this country. The principle of freedom for the Philippines is involved here, as the freedom of all people; and involved here is also the question of making good the promises we have made to the Filipino people. But why wait 18 or 19 years to do it? And if we are going to give them their freedom, why undertake to do it by a process so complicated, and extending so far into the future, that it is very doubtful whether or not, in the end, Philippine independence will be accomplished?

The Senator from California [Mr. SHORTRIDGE] very appropriately called the attention of the Senate to the fact that we should get out of the Orient, and politically that we should also keep out of Europe.

The Philippines are the weakest link in our position of self-defense. They have been more so since the Washington armament agreement. I think they have been more so since the time when, instead of consulting the signatories to the 9-power treaty, when the territorial integrity of China was threatened a year ago, we ran over to the League of Nations. I think the Philippines then became an additional source of weakness to the defense of the United States. We have made some mistakes in the past, and that makes it necessary to do what we can to rectify them.

I ask to have printed in the RECORD a series of editorials affecting the Hawes-Cutting bill, published in the Minneapolis Tribune of Minneapolis, Minn.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Without objection, it is so ordered.

The editorials are as follows:

[Wednesday, April 6, 1932]

FREEDOM THE PHILIPPINES

The support given the Hare bill for Philippine independence by the House, in passing it by a vote of 306 to 47, was a surprise even to the most ardent advocates of freedom. Although one may seriously question the wisdom with which debate on the bill was gagged and limited to 40 minutes, and while it is possible to see where steps to free the Philippines at this particular time may have some bearing on our position in the Far East, it can not be denied that the Hare bill is a step in the right direction.

It will be difficult for anyone to question seriously the ability of the Filipinos to govern themselves and the 10 years allotted by the Hare bill for the transition period should be adequate to launch the islands under strong self-government. The Senate already has before it a bill which would accomplish much the same things for the Philippines as the Hare measure proposes, but it would require 17 years before granting complete independence.

The Hare bill is headed for opposition not only in the Senate but probably from the administration as well. The chief objection to freeing the Philippines at this time, or of even considering the matter, as expressed by Secretary of State Stimson, is the unsettled state of affairs in the Far East and our relations with countries on the western side of the Pacific Ocean. But the underlying factors in the far eastern situation have not been materially altered since the Jones Act was passed. The rise of Japan to dominance has been more rapid than was anticipated, but it has always been inevitable. That a free Philippines would endanger our position in the Far East is not entirely obvious.

In one important particular the Hare bill fails to meet a consideration that should be essential in any proposal for Philippine autonomy. It makes no specific provision for tariffs on products from the islands that compete unfairly with domestic products and industries. Although the bill does provide for a quota on principal exports from the Philippines to this country, these quotas are placed so high that, in most instances, they will admit even greater quantities of these products than are now being received on a free-trade basis. The quota provisions make no men-

tion of copra, which, with coconut oil, is now being permitted to enter this country to the detriment of our own dairy industry. The quota limit placed on coconut oil is fixed by the Hare bill at 200,000 tons, and in 1928 the total production of the islands of this product was only 191,000 tons. Any measure that would ultimately free the Philippines should give more adequate consideration to this vital American interest than does the Hare bill.

[Monday, April 18, 1932]

TAX TROPICAL OILS

The clean-cut statement of Dr. Alonzo Taylor, world-famous economist, to the effect that it was the imperative duty of the United States to protect the American farmer from the importation of tropical oils is both significant and timely. The present bill which proposes to grant freedom to the Philippine Islands in the future is of little present interest to the American farmer. The American farmer is primarily and exclusively interested in the economic effect of our political relationship with the Philippine Islands. It is an incontrovertible fact that 600,000,000 pounds of coconut oil and copra come into the United States every year from the Philippine Islands and drive out of our market at least as many pounds of American-produced animal and cottonseed fats. Doctor Taylor makes it plain that there is not the faintest economic reason to sustain this policy, and that there is every economic reason for a policy that will protect the American farmer.

Those who maintain that we have a moral obligation to protect and cherish the Filipino may argue on a basis of morality to their hearts' content. But there isn't any morality in making the American farmer sustain the burden of our Philippine philanthropy. Doctor Taylor is as famous as a chemist as he is an economist. Doctor Taylor says that only a small percentage of our soap needs coconut oil as an ingredient. This is a specialized soap not in general use. The American farmer is entitled to protection from tropical plantations to the same extent that the American working man is entitled to protection from oriental labor. We have raised the bars on foreign immigration for the protection of the American laborer and it is impossible to conceive the mental process of the legislator who can not see the same necessity for the protection of the American farmer from the rapidly increasing flood of tropical oils that is pouring into this country every year. America has a surplus of the animal and cottonseed fats. Animal fat is a drug on the market to-day. The swine raiser is penalized by the packer for the excess fat on his hogs. The dairyman, with the price of butter down to a ruinous level, is forced to compete with the margarine made from Philippine oil importations. When Doctor Taylor, as a chemist, says that there is not any reason why American-produced fats should not be used in the manufacture of our soaps, no fair-minded person would question his statement.

Giving the Filipinos their freedom 8 or 10 years hence is a fine, generous gesture which may or may not be translated into a reality, but this does the American farmer no good to-day. In his present state he has not the time nor the inclination to clap his hands in glee over the spectacle of the Filipinos waving the flag of independence. It means little or nothing to him. What the American farmer wants is protection from the coconut oil from the Philippines and protection from the other oils of the Tropics against which he is unable to compete any more than is the American manufacturer able to compete with the low wage and low standard of living of foreign countries. If there is any right or justice, if there is any political or economic expediency in a protective tariff, that tariff should be imposed on the oils from the Tropics that compete with cottonseed, peanut oil, and animal fats produced in the United States.

[Tuesday, April 19, 1932]

THE FARMER IS FORGOTTEN

The bill recently passed by the House and now before the Senate which proposes to grant political freedom to the Philippines at the end of an 8-year period will be of no benefit to the American farmer.

The bill will permit the Philippines to send more coconut oil into the United States free of duty for the next eight years than is now coming in. Paragraph 2 of section 6 of the bill provides: "There shall be levied, collected, and paid on all coconut oil coming into the United States from the Philippine Islands in any calendar year in excess of 200,000 long tons the same rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries."

This provision is supposed to put a limitation on the oil imports from the Philippines in the interests of the American farmer. The joker in the provision is this—that the Philippines have never yet sent as much as 200,000 long tons of coconut oil to the United States. Therefore, instead of putting a limit on this duty-free oil that would tend to remedy the present ruinous condition of the American fat market, it actually permits a greater importation.

Two hundred thousand long tons of oil equals 448,000,000 pounds. In 1930 the Philippines sent us 322,000,000 pounds. Under this bill the Philippines could import free of duty an additional 126,000,000 pounds of oil to compete with American-produced cottonseed oil and animal fats. In 1929 the coconut-oil

importation reached its peak of 415,000,000 pounds, some 33,000,000 pounds less than the limit permitted by the present bill.

It is obvious from these figures that for eight years at least the American farmer will get no relief, if the present bill becomes a law. It is equally plain that the bill provides an opportunity to make the situation even worse than it now is to the extent, at least, of 126,000,000 pounds of oil. Under the present tariff law coconut oil imported from other countries than the Philippines pays a duty of 2 cents a pound. But there is likewise a joker in this, because copra, from which coconut oil is extracted, comes into the United States duty free from all countries.

In 1930 the importations of oil and copra in terms of oil reached the staggering sum of 518,161,000 pounds. In 1929, the high point of importation, oil and copra importations together were equivalent to 597,836,000 pounds. The admission of copra duty free into the United States is for the benefit of the copra-crushing mills on the Pacific coast. The oil produced on the Pacific coast affects the American farmer to exactly the same degree as the duty-free oil from the Philippines.

Between the Smoot-Hawley tariff law and the Philippine independence bill, the American farmer, dairyman, swine and beef raiser are deprived of the American markets for fats. The dairyman suffers grievously from the production of margarine, which is sold at a lower price than butter. The swine raiser and the cattleman are in the same predicament, as is the cotton grower of the South, who loses the market for his cottonseed oil.

The bill now before the Senate is not a bill conceived in the interests of the American farmer, but exclusively in the interests of the political aspirations of the Filipinos. The very best the American farmer can hope for is the possible limitation to the damage that may be done to him in the next eight years. This limitation is a possibility only and by no means a probability. Under this bill the Philippines can add some 25 per cent to their present imports before they are required to pay a duty, and should their imports reach 200,000 long tons a year, at which point a duty of 2 cents would be imposed on their oil, they still have the opportunity to ship into the United States free of duty all the copra that this country can consume, at the expense of the American farmer.

Any bill providing for the independence of the Philippines can be of no economic interest to the American farmer unless it reduces drastically the coconut-oil imports, and in turn there can be no reduction of coconut-oil imports as long as copra is permitted to come into this country free of duty. The interest of the American farmer in the Philippine Islands is not a political one, it is strictly economic. The issue involves a much vaster area than the Philippine Islands. The issue is that of tropical oils of any description which are used in the United States as substitutes for food fats and for vegetable oils produced in this country. The question will not be settled by the passage of the Hare bill. Should it pass the Senate and receive the President's signature, it will not affect the American farmer in the least. It will leave him in the same or in a worse position than he now is for the next eight years.

The American farmer wants and should have ample protection from coconut oil and copra and from all tropical oils which are now so disastrously competing with him in the American fat market. The Hare bill gives him no protection whatever.

[Thursday, April 21, 1932]

TROPICAL OILS AND THE FARMER

The Hare bill, giving freedom to the Philippines, which is now before the Senate, is no doubt drawn in the interest of the Filipinos' political aspirations. But it gives little or no consideration to the American farmer whose market for the vegetable and animal fats produced on the American farms has been taken away from him.

The bill provides that for the next eight years the Philippines will be permitted to send America duty free 200,000 long tons of coconut oil. This is an amount excessive of any importation from the Philippines up to the present time. The bill provides that the American farmer shall be in the same position in regard to his market for fats and oils for the next eight years as he is now.

To make the situation of the American farmers still worse, copra from all countries is admitted duty free into the United States. Even if the Philippines should reach the maximum amount of duty-free oil importation they would still have the opportunity to send duty free into the United States an unlimited amount of copra which would be ground into coconut oil by the Pacific coast mills.

It makes no difference whatever to the American farmer whether the copra is ground into coconut oil in the Philippines or in the United States, he is robbed of his market just the same.

Congress and the two dominant political parties will be obliged, if they make any pretense of doing anything for the American farmer, to consider the whole field of tropical oil production.

Is it anything but absurd that we should be compelled to export 787,000,000 pounds of animal fats, while at the same time we import into this country 1,800,000,000 pounds of oils and fats?

It is true that we have a duty of 3 cents a pound on lard, but what does that amount to when we export 787,000,000 pounds? When we break down these figures of imports and exports the absurdity grows. While we export 787,000,000 pounds of animal fats which we are forced to sell in Europe at any price Europe chooses to offer us, we admit into this country 1,300,000,000 pounds of vegetable oils grown in the Tropics. We import free of duty

nearly twice as much vegetable oil as we export animal fats. While we are sending this 787,000,000 pounds of animal fats begging to the markets of Europe, we are bringing into this country copra, coconut oil, palm oil, Chinese wood oil, tung oil, inedible olive oil, palm-kernel oil, cod-liver oil, cod oil, vegetable tallow, sweet almond oil, croton oil, and rapeseed oil, free of duty to a total of 1,300,000,000 pounds.

What has been the effect of this tremendous flow of tropical oils into the United States? The figures show that in the last 30 years, despite our tremendous gain in population, the number of hogs on American farms has not increased. In 1900, when the population of the United States was 76,000,000, we had 62,868,000 hogs on the American farm. In 1930, when the population of the United States was 122,000,000, the number of hogs on the American farm had decreased to 53,238,000.

In the face of these figures can anyone seriously maintain that the American farmer has been given the American market, as has been promised him in every presidential campaign?

Mr. CAPPER. Mr. President, I desire to have placed in the RECORD a communication from representatives of eight of the leading farm organizations of the United States relative to the pending bill. Representatives of these national agricultural interests, in conference here in Washington, have outlined the following principles, which they believe should apply to the pending legislation affecting the Philippine Islands:

First. That complete independence should be provided within a period of five years.

Second. That trade relationships between the United States and the Philippine Islands should be adjusted within this 5-year period either by fixing a quota of imports which, beginning with the adoption of a constitution by the people of the Philippine Islands, will be gradually reduced each year until complete independence, or by a gradual application of tariff rates which will be increased each year until final independence.

Third. That provisions in pending bills for trade conferences prior to the end of the transition period which contemplate or imply further trade concessions should be eliminated.

Fourth. That they oppose any provision to reopen the question of final independence after the Philippine people have adopted their constitution.

This declaration of principles has been approved by Fred Brenckman, for the National Grange; Chester H. Gray, for the American Farm Bureau Federation; John Simpson, president of the Farmers Educational and Cooperative Union of America; A. M. Loomis, for the National Dairy Union; Fred Cummings, for the National Beet Growers' Association; Clarence Ousley, for the Tariff Committee of the Texas and Oklahoma Cottonseed Crushers' Association; C. J. Bourg, for the American Sugar Cane League; and Charles W. Holman, for the National Cooperative Milk Producers Federation.

I wish to add, Mr. President, that I heartily concur in the declaration of these farm organizations.

As I see it, the Senate owes a first and complete duty to the farmers of the United States. The free importation of products of the Philippines, competing with home products which are so sadly in need of the domestic market, is one of the factors in the agricultural depression of the last decade, which now has extended to all the business and industrial and financial and labor circles.

I am entirely in sympathy with the desire of the people of the Philippines for independence. I will vote to give it to them. I want to give it to them soon, not only as a matter of justice to their people but as a matter of justice to the farmers of the United States.

Exports to the Philippine Islands are a remarkably small part of the foreign trade of the United States. In 1929, the last year for which figures are available, Philippine purchases in the United States were only 1.66 per cent of our foreign trade. In other words, no substantial injury would be done our exporters even if the Philippines exacted tariffs commensurate with those necessary to protect American farmers from tropical competition.

Since the beginning in 1909 of reciprocal free trade between the mainland and the islands, the United States has waived \$512,000,000 in duties that might have been collected on Philippine products. In the same period the islands

waived only \$240,000,000 in duties on shipments from the United States. The difference between these two figures is \$271,540,000. Thus, in the matter of duties waived, the United States has matched the Philippines more than 2 to 1.

Mr. President, a further point in the waiving of duties should be considered. The Hawes-Cutting bill would allow 850,000 tons of sugar to come into the United States for a period of 15 years. If the full rates of duty were applicable to these imports, the United States would be nearly \$800,000,000 better off than it will be if the Hawes-Cutting provisions are enacted. This outright gift of \$800,000,000 is in addition to the \$512,000,000 of tariff preferences which have already been extended to the islands.

Without any appreciable income from the islands, the United States has literally poured money into the Philippines since the Spanish-American War. A recent calculation indicates that through the War Department, the Navy Department, the Bureau of Insular Affairs, the Coast and Geodetic Survey, the Public Health Service, and the Department of Agriculture these expenditures on account of the islands have reached the staggering total of \$792,370,000.

The exemptions and duty-free privileges incorporated in the Hawes-Cutting bill guarantee that the American farmer will have no effective protection against his tropical competitor. This becomes clear by a study of the provisions of the bill which would permit 850,000 tons of sugar to come into the United States free of duty. Anything above the 850,000 tons would pay the full rate of duty; but if the Filipinos produced twice the 850,000 tons—that is, 1,700,000 tons—the effective rate of duty would be cut in half, since the cost of the tariff could be distributed over the entire crop. In the case of sugar, half the world rate of duty is \$1.25 a hundred pounds. This would give the Filipino producers an advantage of 75 cents a hundred over the Cuban producers, who now pay \$2 a hundred. What is true in the case of sugar is true of vegetable oils and other commodities on which a duty is collected if they are imported into the United States from any country other than the Philippine Islands.

Farmers of the United States are urged on every hand to diversify their agriculture. There is no reason in the world why the same practice should not be of value in the Philippines. The provisions of the Hawes-Cutting bill are a constant invitation to the Filipinos to neglect all other agricultural pursuits and to concentrate on the expansion of sugar and vegetable oils. Unless Congress forces a readjustment through proper limitations in the Philippine independence bill, the Filipinos are destined for the same experience as the Cubans, who are now paying the penalty for devoting all their efforts to a single crop.

Mr. President, the menace of Philippine competition with the American farmer has not nearly reached its peak. The possibilities for expanding the production of tropical oils and sugar are almost unlimited. Thirteen years ago, in 1919, the Philippine Islands sent into the United States only 78,000 tons of sugar, or about 2.5 per cent of all sugar imported during that year. In 1930 this tonnage reached 708,689, or 20.4 per cent of all our sugar imports. This year—1932—the imports of sugar will reach a million tons; and still more will come next year and the year after if Congress fails to enact some effective restriction.

The American farmer can not compete successfully with these Philippine products, which I understand are produced on 35-cents-a-day labor. I shall support amendments to the measure which will be proposed in line with the recommendations of the American farm organizations, and express the hope that these amendments will be approved by the Senate. Otherwise I fear the measure will be of little benefit to those at this time most in need of protection—the farmers of the United States.

I ask unanimous consent to have printed in the RECORD the statement of the eight farm organizations recording their stand as to the pending bill, in opposition to some of its provisions.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

To the Members of the United States Senate:

Representatives of national agricultural interests in conference at the Capitol to-day agreed upon the following statement of principles which should be applied to the pending legislation in Congress for Philippine independence:

First. That complete independence should be provided within a period of five years.

Second. That trade relationships between the United States and the Philippine Islands should be adjusted within this 5-year period either by fixing a quota of imports which, beginning with the adoption of a constitution by the people of the Philippine Islands, will be gradually reduced each year until complete independence, or by a gradual application of tariff rates which will be increased each year until final independence.

Third. That provisions in pending bills for trade conferences prior to the end of the transition period which contemplate or imply further trade concessions should be eliminated.

Fourth. That we oppose any provision to reopen the question of final independence after the Filipino people have adopted their constitution.

The National Grange, by Fred Brenckman; American Farm Bureau Federation, by Chester H. Gray; Farmers Educational and Cooperative Union of America, by John Simpson, president; National Dairy Union, by A. M. Loomis; National Beet Growers' Association, by Fred Cummings, president; Tariff Committee of the Texas and Oklahoma Cottonseed Crushers' Association, by Clarence Ousley; America Sugar Cane League, by C. J. Bourg; National Cooperative Milk Producers Federation, by Charles W. Holman.

DECEMBER 9, 1932.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. TYDINGS] to the amendment presented by the Senator from Louisiana [Mr. BROUSSARD].

Mr. CUTTING obtained the floor.

Mr. WALSH of Montana. Mr. President, will the Senator yield, so that I may suggest the absence of a quorum?

Mr. CUTTING. I yield.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Johnson	Robinson, Ark.
Austin	Cutting	Kean	Robinson, Ind.
Bailey	Dale	Kendrick	Schall
Bankhead	Davis	Keyes	Schuyler
Barbour	Dickinson	King	Sheppard
Barkley	Dill	La Follette	Shipstead
Bingham	Fess	Lewis	Shortridge
Black	Frazier	Logan	Smoot
Blaine	George	Long	Steiwer
Borah	Glass	McGill	Swanson
Bratton	Glenn	McKellar	Thomas, Okla.
Broussard	Goldsbrough	McNary	Thomson
Bulkeley	Gore	Metcalf	Trammell
Bulow	Grammer	Moses	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Nye	Walcott
Carey	Hatfield	Oddie	Walsh, Mass.
Cohen	Hawes	Patterson	Walsh, Mont.
Connally	Hayden	Pittman	Watson
Coolidge	Howell	Reed	White
Costigan	Hull	Reynolds	

Mr. WALSH of Montana. I desire to announce that my colleague [Mr. WHEELER] is necessarily absent owing to illness.

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, there is a quorum present.

Mr. CUTTING. Mr. President, the amendment which has been offered by the senior Senator from Louisiana [Mr. BROUSSARD] goes to the heart of the pending bill, and it is not remedied in any substantial way by the substitute suggested by the Senator from Maryland [Mr. TYDINGS].

Most of the argument to-day has been based on the assumption that this amendment of the Senator from Louisiana merely seeks to change the time the Philippine people will have to wait for independence. That is not the case. It changes everything else which was suggested by the Senate Committee on Territories and Insular Affairs.

At the last session the House passed and sent over to the Senate a well-considered measure, based on a certain theory. If the Senate agrees in the main with that theory, rather than the theory which was expounded by the Senate committee, then I submit that the fair and decent and consistent thing to do is to pass the bill which passed the House, and reject the Senate amendments in toto.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CUTTING. I yield.

Mr. LONG. I have talked with some of the Senators who are members of the committee, and I would like to ask the Senator from New Mexico, what is the serious objection to taking the bill which passed the House? There would only be the necessity of beginning to graduate the tariff, would there not?

Mr. CUTTING. I intend to try to explain that, if the Senator will give me the opportunity. The bill as it passed the House provided that the Philippine people were to have independence. The House provides an interim period of eight years during which there is to be a limitation on imports. After that 8-year period is over the Philippine Islands will receive their independence automatically.

The theory of the Senate committee is based on the desire of the Philippine people. It refuses to give them independence unless they have stated in the most forcible way open to them that they desire it.

At three points in the process the question is to be submitted to the Philippine people. First, the measure is not to go into effect until it shall have been ratified by the Philippine Legislature. Second, after the adoption of the constitution, that constitution is to be submitted to the Philippine people for their ratification. That, Senators will understand, is the constitution which is to be in force during the interim period. At the end of the interim period, a plebiscite is to be held, at which, after experimenting with the various tests which the Senate committee thought should be laid down, the people of the islands again are to decide whether or not finally to sever their connection with the United States.

The theory of the committee was based in the first place on the consideration that we had gone into the Philippine Islands and assumed the government thereof without the wish of the Philippine people, and that it was not fair to step out until it had been demonstrated that the Philippine people after considering the pros and cons decided that they wanted to go on alone, regardless of any economic disadvantages which might come to them from so doing.

I will say just a word about the question of time, because I do not think the question of time is the vital one. In the first place, the senior Senator from Missouri [Mr. HAWES] and I introduced a bill granting the Philippines independence in five years. We heard a great deal of evidence submitted to the Senate committee. A great deal of additional evidence was submitted to a subcommittee, of which the Senator from Missouri [Mr. HAWES], the Senator from Nevada [Mr. PITTMAN], and the Senator from Rhode Island [Mr. METCALF], and others, were members, and at the end of the discussion we had a complete and intensive analysis of the bill before the whole committee.

The suggestion of a period of limitation of imports, plus a period of graduated export taxes to pay the Philippine debt, was concurred in by a very large majority of the committee. Thereafter we voted on what seemed to be the best term of years to adopt. Although there had been no previous discussion of the matter, I think all the members of the committee except three agreed on the term of 15 years.

Mr. BINGHAM. Except two.

Mr. CUTTING. Except two, the Senator from Connecticut says, and I am sure he is correct.

So much for the question of time. The reason for providing a longer period of time than would seem natural to the average member of the Senate, certainly a longer period of time than would have seemed desirable to me when I first went into the matter, was simply that these people have been upheld in their standard of living by the tariff barriers against the rest of the world, combined with their free-trade relations of the United States. Their standards of living have been placed almost on an occidental basis. They are so much higher than the standards of living of the rest of the Orient that we might almost compare the present situation to one which would occur if we tried to take one of the States out of the Union and put it in competition with the outside world by taking away the free

trade which exists with the rest of the States. That is the situation which confronted us; and after listening carefully to all the evidence, we decided that 15 years was about the shortest time in which readjustment could take place and the Filipino house be set in order.

More important than that, to my mind, is the question of the plebiscite. It was the feeling of the committee that the Philippine people themselves should have the privilege of gradually coming out of the free-trade status, of having what amounts to a tariff, although the receipts derived therefrom actually go to pay the debts of the Philippine people, that they should have the economic experiences incident to that graduated export tax and thereafter, after learning for themselves the disadvantages which would come to them through independence, might vote intelligently as to whether they want their freedom or not.

I think the arguments in favor of such a plebiscite are almost overwhelming. We have heard time and time without number that it is only a minority of the Philippine people who desire independence, and that the independence agitation is due to the activities of a few politicians; that the people themselves would prefer to remain with the United States. I do not believe that for a moment, Mr. President. I think, however, that not only have the Philippine people the right to say whether or not they want independence, but that they have a right to say so after learning for themselves the difference between their present favored economic status and the status which they are going to have to endure in competition with the rest of the world.

So far as I know only one argument has been advanced against the plebiscite, and that is that during 15 years there might be built up, through the propaganda of selfish interests, a movement against independence so that finally the Filipinos who at the present time are in favor of freedom might be induced to vote the other way at the end of the 15-year period. Mr. President, all I can say to that argument is that if the Philippine people can be induced by any propaganda to forego their rights as a free people, then, in my judgment, they are not ready for self-government. I do not believe that any people who really desire freedom can be dissuaded from their firm intention by any mere propaganda.

If, on the other hand, the force of facts, the force of economic conditions, impresses on the Philippine people the necessity for remaining with the United States, then I believe they have the right to make the decision for themselves. We went into the Philippine Islands without consulting the Philippine people and against their wishes. I do not believe that this country, merely by its own ipse dixit, can say that it is going to renounce its obligation toward the Philippine people and withdraw against their desire.

That, to my mind, is the fundamental difference between the House bill and the bill as it comes from the Senate committee. I base it not on any selfish interest of any citizens of this country. I base it on what seems to me the duty which we owe to the Philippine people. I base it on the rights of 13,000,000 human beings to control their own destinies. But to those who argue in favor of the business and economic interests of any portion of the American electorate—and they have every right to do so—I should like to point out that if the amendment of the Senator from Louisiana [Mr. BROUSSARD] is adopted we have practically nothing to do in conference. To all intents and purposes the bill would be the same as the bill which the House sent over here about a year ago and which the Senate committee found to be unsatisfactory. The House bill will almost certainly receive a veto, perhaps a justified veto; and if it does not receive a veto, it will almost certainly be rejected by the Philippine Legislature, who under this bill have to ratify its terms before they go into effect. I do not think there is any chance of bringing Philippine legislation before the Senate at any special session and if the bill fails now it means, from the selfish point of view, if you please, that increased Philippine imports of sugar, coconut oil, and other products will come into the country.

I do not believe that the interests of the people of this country are going to be protected in any way by passing a bill which will be ineffective and void. I believe further that our duty to the Philippine Islands will not be accomplished if we do not support the present bill, substantially at least, as it came from the committee.

If the Senate disagrees, it will show it by its present vote. I feel that anyone who desires to crucify Philippine independence will vote for the proposed amendment. I know that many are going to vote for it who are in favor of independence, but I think under all the circumstances that independence can not come through any substantial modification of the agreement which was reached by the members of the committee after long and careful study of the whole situation. If I am wrong in that assumption, then I feel that the Senate should do the straightforward thing and reject all of the proposed Senate amendments and take the bill as it came from the House.

Mr. TYDINGS. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Maryland?

Mr. CUTTING. I yield.

Mr. TYDINGS. As I understand the committee bill, it provides for a 10-year limitation on imports and then 5 per cent progressive increases for five more years until 25 per cent of the tariff has been attained, at which point it stands fixed pending the result of the plebiscite.

Mr. CUTTING. The Senator is correct.

Mr. TYDINGS. I have no fault to find with the mechanics of the set-up. I think it is intelligent and sound. But I would like to see that 5 per cent progressive increase commenced 5 years after date instead of 10. May I point out to the Senator from New Mexico, who has rendered very valiant and thoughtful service in this matter, that it would mean a period of approximately 18 years before Filipino independence is achieved, and that means, of course, that many people who are now living and who have devoted their lives to this worthy endeavor will have passed to the grave before that comes into realization.

My own hesitation is not upon the procedure which I think the Senate bill outlines in a very fine way, but upon the length of time fixed for that procedure. In other words, instead of having a 10-year period, why not make it 5 years, and then 5 years of progressive tariff increases and then a plebiscite, and thus accomplish independence 5 years earlier, making it 12 or 13 years rather than 18 years?

Mr. CUTTING. May I point out to the Senator from Maryland that the amendment as it is proposed to be voted on will eliminate the provision for a plebiscite?

Mr. TYDINGS. As I understand the parliamentary situation the only thing before the Senate is whether we shall substitute 8 years for 10 years in the particular clause with which we are now dealing. It is my purpose, should my amendment be adopted, then to offer a further amendment making the progressive tariff increases commence 5 years after the bill is passed and a constitution is adopted, and bring about the same mechanical set-up except, instead of waiting 10 years to have the progressive tariff begin, we would have it start at the end of 5 years and the plebiscite would come at that time, just as it is provided now, so the net result would be that the Philippines, with the same machinery and same procedure, would get their independence in 13 years instead of 18 years.

Mr. CUTTING. May I say that I intend to vote for the amendment of the Senator from Maryland because I think it distinctly an improvement on the amendment offered by the Senator from Louisiana? I am glad that the Senator will then modify it so as to correspond to the present theory of the bill. But I should like also to remind him that he is a member of the committee which had all these matters under consideration and, unless I am mistaken, he voted in the committee to report the bill as it is.

Mr. TYDINGS. I was not in attendance the day the vote was taken to report the bill, but the Senator is correct. I left my proxy with the senior Senator from Missouri [Mr.

HAWES and, of course, he voted for the 15-year provision and I was bound by that. However, I might say that several members of the committee—and I think I violate no confidence when I make this statement—have stated that, while they are bound by the committee vote, they, too, feel that the acquisition of independence in 13 years is much more desirable than in 18 years, but they do not want to go back on the action they took in the committee.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Kentucky?

Mr. CUTTING. I yield.

Mr. BARKLEY. As I understand, the purport of the amendment is that it provides for a 13-year period before the plebiscite shall be taken?

Mr. CUTTING. That is correct.

Mr. BARKLEY. The only provision for a plebiscite is at the end of the 15-year period?

Mr. CUTTING. The amendment of the Senator from Louisiana cuts out altogether the provision for a plebiscite.

Mr. BARKLEY. Under that amendment there would be no plebiscite?

Mr. CUTTING. There would be no plebiscite, according to the amendment, if it were agreed to.

Mr. BARKLEY. Is there anything sacred as to the number of years that may elapse before they would be qualified to hold a plebiscite, if one is advisable? Would they not be as capable of holding an intelligent election in 10 years as they would in 15 years or 18 years?

Mr. CUTTING. I think, provided the graduated tax provisions, as suggested by the Senate committee, are retained, that they would be quite as capable of voting at the end of 10 years as at the end of 15 years. However, the Senate committee felt that a preliminary period of 10 years before that graduated tax started was necessary to enable them to set their economic house in order. There is nothing sacred about the time. That was merely the opinion of the Senate committee, and, of course, any Member of the Senate is entirely capable of forming his own opinion on that subject. We thought, however, that this period was the best that we could suggest, though, as I said before, the actual time limits are less interesting to me than the theory on which the bill is based.

Mr. BARKLEY. As I understand the theory of the progressive tariff increases, which it seems to me are inseparably linked up with the discussion of the plebiscite, it is that the higher the tariff rates are moved up by the time the Filipinos hold the election the less liable they are to want independence. Is that the theory of it?

Mr. CUTTING. I do not know that the committee has taken any stand on that question. Of course the highest point, as the Senator understands, to which the rates would go is 25 per cent only of what they would have to pay after they obtained independence. So that it is not a complete test of how they could get along if they were faced with the competition of the world market.

Mr. BARKLEY. But it is the theory of the committee that they ought to be required to undergo at least five years of progressive increases in tariff rates before they are qualified to vote as to whether they want independence, on the theory that the higher the tariff the less independence they will want?

Mr. CUTTING. No; I do not think I would state it in that way, Mr. President. I personally think that the Philippine people will insist on independence just as any other people would, even if they had to pay the whole 100 per cent tariff, but I think they are entitled to the experience which would enable them to decide that question intelligently for themselves.

Mr. BARKLEY. Mr. President, if the Senator will permit me just one further observation, I have heretofore in this Chamber expressed my opposition to passing on the question of Philippine independence in connection with tariff rates. In other words, I have heretofore felt—and I now repeat my feeling—that the question of Philippine independence ought to be a matter of principle.

Mr. CUTTING. It is so with me, Mr. President.

Mr. BARKLEY. That, as a matter of principle, they ought to be granted their independence at the very earliest possible date. I am unwilling to free the Philippine Islands in order that we may tax them either now or at any other time in the future. I want to vote for independence as a matter of principle; I want to vote for it on the theory that the Philippine people are entitled to govern themselves just as we are entitled to govern ourselves; and I have no sympathy with that sudden enthusiasm for Philippine independence that is based upon a desire to tax those people after they shall have become independent.

Mr. CUTTING. On that question the Senator and I are in complete accord.

Mr. BARKLEY. I am happy to say that on many other questions we are in complete accord.

Mr. CUTTING. I thank the Senator.

Mr. HAWES. Mr. President, I am in agreement with my colleague on the committee, the Senator from New Mexico [Mr. CUTTING]. We can not amend the Senate bill in the manner proposed in this amendment and at the same time preserve the philosophy back of it.

The House bill provides for an 8-year period, with a limitation based on what is called the status quo during that period. The Senate bill puts that theory into effect for 10 years, and after that period tariff steps, revenue-tariff measures, are applied. If this amendment shall be adopted, it will destroy the purpose described by the Senator from New Mexico. I agree with him that if the amendment shall be adopted, the simplest and the best thing we can do is to take up the House bill and pass it, for at least it will be logical; it will be understandable; and, besides, that bill has great merit. Keep in mind, Mr. President, that it is a straight limitation bill without tariffs. That was the philosophy of the House as opposed to the Senate's philosophy of a joint limitation and a tariff. If the amendment shall be adopted, it will change the whole basis of the Senate bill and leave no important differences for adjustment between the two Houses.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. HAWES. I do.

Mr. BORAH. Mr. President, I think there is great force in the contention which has been made by the Senator from Nevada, the Senator from New Mexico, and the Senator from Missouri that if we shall adopt this amendment, it will make it impossible to get some of the desirable provisions which are in the pending bill. However, knowing the situation as the Senator does, is there not some way by which we can shorten the time in this bill? Is there not some amendment which can be offered which will limit the time and yet not bring about the other changes which will result from the amendment offered by the Senator from Louisiana?

Mr. HAWES. I think there is. I think we could shorten the time to eight years and provide for a graduated tariff period of four years.

Mr. LONG. I did not hear the answer of the Senator from Missouri. What did he say?

The PRESIDING OFFICER. The Senators will please address the Chair.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Louisiana?

Mr. HAWES. I yield.

Mr. LONG. I did not understand the answer given by the Senator from Missouri.

Mr. HAWES. I was trying to answer the Senator from Idaho.

Mr. LONG. But I did not understand what the Senator from Missouri told him. That is what I am trying to get at.

Mr. HAWES. The Senator from Idaho asked me if some other suggestion could not be made for shortening the

period provided in the Senate bill and at the same time preserve its philosophy. Is that correct?

Mr. BORAH. Yes; that is correct.

Mr. HAWES. I would not consider it entirely desirable, but it could be done by shortening the period to eight years and providing for a 4-year tariff period, and the bill would then go to conference.

Mr. BORAH. I am desirous of getting the benefit of the tremendous amount of work which the Senate committee have put on this bill, but I am also equally desirous, while saving that work, to shorten, if we can, the period. So I wish those who are in charge of the bill would assist us in reaching that point.

Mr. HAWES. I have given considerable time to this bill—

Mr. BORAH. I know the Senator has.

Mr. HAWES. And I do not find in this Chamber over five Senators who are not in favor of some form of independence for the Philippine people; there is almost unanimous agreement upon that. There is a condition of uncertainty in the islands and in our American relations with the islands that demands a solution. We are now quarreling about some time limitation, and we are trying to cut down by one-half the export from the Philippines of products on which those people live.

In addition to that, the proposal is made to cut in half the export of sugar and to cut down the time. It is just like shooting a bird with both barrels of a shotgun. The Philippine people are getting two loads at the same time, and it is too much.

Mr. BORAH. It seems to me that the cutting down of the time would be in the interest of justice, both to the agricultural interests of the United States and to the people of the Philippines, because it would eliminate a long period of time during which we would be limiting their production, as well as a long period during which American agriculturists must compete with them. I recognize the injustice of putting this limitation upon the Philippine people, but, on the other hand, if we are going to provide that this period shall last for 18 years the agricultural interests of the United States, in my opinion, are going to suffer very greatly during that period.

Mr. HAWES. There is no doubt that we must consider our people in this country, and it is also only fair that we should consider some of the investments that Americans have made in the Philippines by reason of the encouragement we have given them by providing a free-trade status between the islands and the United States. The committee of the Senate has very earnestly and without any sectional interest in this subject—certainly there is no sugar raised in my State; we are not interested in sugar—tried to arrive at a basis that would be fair to the sugar raisers of this country and at the same time fair to the people whom we induced to go into the sugar business in the Philippines. So we took what was called the status quo, and as nearly as we could we determined the aggregate of sugar that should be allowed to come into this country from the Philippines. According to the official Government figures the amount was 800,000 tons. Now the Senator from Louisiana proposes to cut that down to 595,000 tons, which is the lowest point ever suggested before the committee or before the Senate or before the House. I say the Philippine people can not stand that reduction in the quota. Under it they will not be able to pay their debts. They have a large bonded indebtedness; they have banks and other institutions of various kinds depending in large part on the sugar industry; they must have revenue in order to pay their bills, or they will be wrecked.

I proposed an amendment yesterday giving them permission to put a duty upon American goods which enter the Philippines at the rate, I believe, of some \$100,000,000 a year—on cotton and shoes and hats and boots. That is only fair, for in order that the Philippine people may live they must have some revenue. They have not a diversified production over there as we have in this country. There are, practically speaking, only copra and sugar.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Louisiana?

Mr. HAWES. I yield.

Mr. LONG. I am much interested in the discussion of the Senator from Missouri as to the time, and I want to see if I can not keep the Senator from making another sugar speech, although I know it is difficult to refrain from talking about sugar. The Senator was making a suggestion that I wanted to ask him to explain a little further. The Senator from Idaho asked the Senator from Missouri whether or not the Senator from Missouri could not suggest some means by which we could put the 8-year provision in the bill and still leave enough of the Senate bill for conference between the two Houses. The Senator from Missouri answered, stating that there could be a 4-year graduated tariff provision written into the bill. I want to ask the Senator to explain that a little further.

Mr. HAWES. Mr. President, I expressed my personal opinion, but I have great deference for the opinion of the Senator from Nevada [Mr. PITTMAN] and other members of the committee, and I would not commit myself definitely to that proposal unless I found that it met with their approval. The Senator from Idaho asked me for a suggestion, and I gave it to him, to the effect that simply cutting down the time and cutting down the tariff period would perhaps accomplish the purpose; but I should not like to say that I would advocate such a course until I had discussed it with others.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Nevada?

Mr. HAWES. I yield.

Mr. PITTMAN. I think it will be conceded that the House is no more desirous of yielding in toto to the Senate than is the Senate desirous of yielding in toto to the House. The House bill provides for a period of eight years and for practically the same quotas governing the free entry of Philippine goods as the Senate bill provides. They have no provision for a step-up tariff, however, and no provision for a plebiscite.

If we had passed the Senate bill as it was, the matter would have gone into conference, and we then would have had the legal right to accomplish what we are trying to accomplish now. In other words, the 8-year period in the House bill could have been adopted as the period of time in which the Philippines should be allowed to bring in a certain quota of goods based on the present status quo. Then we could have taken 2 years, if we wanted to, for a step-up of tariff, or 3 years for a step-up of tariff, or even 4 years for a step-up of tariff. We could have provided for the plebiscite before the end of the period of step-up of tariff as well as afterwards. We could have had the whole thing terminate, if we had wanted to, in a period of 12 years instead of 15 or 18 years. It would all have been in conference; but if we adopt this amendment, which strikes out of the Senate bill all of the step-up provisions of the tariff and the plebiscite, then there is nothing in conference. That is where we are.

Mr. BROUSSARD. Mr. President, at a meeting of the Committee on Territories and Insular Affairs this morning, finding myself alone against the committee bill, and wishing to meet some of the arguments advanced that have been repeated here on behalf of the committee bill, I proposed, in order to sound out the members, that the time be extended to 10 years, and that, beginning three years after the inauguration of the new government, these people be required to pay a step-up tariff rate, to be paid into the Treasury and refunded to the Philippine Islands and there applied to the payment of the debts of the Philippine Islands.

If there is any proposal that would meet the situation now, I think that is the fairest one.

I proposed this amendment because, as I said before, I have favored the 5-year period. In fact, when we started the consideration of the bill I was for immediate independ-

ence; but, due to these economic conditions and the indebtedness of the Philippine Islands, I was converted, and finally voted for the 5-year period when we reported the bill.

Now the House has passed a bill containing an 8-year period. At the time we considered this bill the House had acted. I expressed myself then as preferring the House bill to either the Vandenberg bill or the bill that the committee prepared. If the 8-year period does not meet the conditions which these proponents are urging should be met in behalf of the Philippine Islands, a 10-year period, with the imposition of a tariff rate stepped up the same as we do after 10 years under the committee bill would raise the funds with which to redeem their bonds and leave a surplus to them. In fact, it might be provided that when the bonds are retired that shall cease. That would meet the objections urged here.

Mr. WALSH of Massachusetts. Mr. President, I should like to inquire of the Senator from Missouri to what extent Americans have invested in the Philippine Islands.

Mr. SMOOT. Does the Senator mean in the production of sugar?

Mr. WALSH of Massachusetts. No; all investments of all kinds. Is it approximately \$200,000,000?

Mr. LONG. One hundred and ninety-seven million dollars.

Mr. HAWES. One hundred and ninety-seven million dollars.

Mr. WALSH of Massachusetts. My attention has been called to an enumeration of those investments printed on page 63 of Excerpt From Hearings in the statement of the Hon. Manuel Roxas. May I suggest that this table be printed in the RECORD for the information of the Senate?

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

American investments in the Philippines

Manufacturing industries.....	\$8,732,000
Public utilities:	
Transportation (garages and bus lines).....	1,634,000
Illuminating gas.....	4,735,000
Telephones.....	2,220,000
Radio and telegraph.....	298,000
Electric-light plant.....	19,347,000
Ice plants.....	39,000
Merchandising enterprises.....	38,383,000
Business enterprises: Real estate (including plantations, subdivisions, etc.).....	7,399,000
Banks.....	502,000
Building and loan associations.....	439,000
Moving-picture theaters.....	135,000
Engineering, contracting, stevedoring, newspapers, hotels.....	3,115,000
Lumbering and sawmills.....	6,000,000
Sugar centrals.....	30,000,000
Sugar refineries.....	210,000
Religious organizations.....	893,000
Philippine government bonds.....	65,472,000
Philippine Railway Co. bonds.....	7,384,000
Manila Railway Co. bonds.....	953,000
Total.....	197,890,000

Mr. LONG. Mr. President, there does not seem to be any real reason why we could not settle this time limitation and the graduated tariff provision by some kind of an agreement.

I hope the Senator from Nevada [Mr. PITTMAN] will not leave the Chamber.

Mr. PITTMAN. I will ask the Senator from Louisiana to hurry, as I have been called out of the Chamber.

Mr. LONG. Go ahead. I have been informed that the Senator is trying to work on what I was talking about. I am talking about trying to get an agreement on the time of the graduated tariff.

If the amendment of the senior Senator from Louisiana is adopted, it will simply put this matter back to the House bill. The House bill is far preferable to the Senate bill. While I am sure the gentlemen proposing the Senate bill do not intend it that way, it is to some extent an effort to discourage more than to encourage Philippine independence. It starts out with one plebiscite. That is, a plebiscite in fact, because when a vote is taken on the adoption of a consti-

tution and the formation of a government for the Philippine Islands that is a referendum to the people on independence. Then at the end of 18 years there is another plebiscite. In the meantime a graduated tariff begins to go into effect in 10 years.

The reason, of course, for waiting after the 10 years is that when 5 per cent is taken off one year, and the next year 10 per cent more, and the next year a little more, naturally the agents of the Americans who are all the time increasing their investments in the Orient and carrying out their propaganda will say to the Filipinos, "You are going to be fired next week. Last week we had to let off 1,000 employees. Next month we are going to let off a thousand more." Political opposition will develop, the American interest increasing in the meantime, to a point where there will be a constant political turmoil that Congress can not change until the 18-year period has expired.

So there is no question but that if we are going to take one of the two bills, by all means the House bill is the preferable one, because the House bill is based upon the principle that the Philippine Islands should be freed as a matter of American policy.

On this matter of time, I am not divulging any confidences, but I have talked to these Filipinos myself; and I have received no impression whatever that any of these Philippine representatives want more than five years at the most. If they have any such idea as that, I have failed to glean it from the conversations I have had with them.

This morning there appeared in the New York Times an article quoting a speech of Mr. Schurman, who was formerly president of the Philippine Commission and ambassador to Germany. I read from the article. It starts out as follows:

WASHINGTON, December 12.—Jacob Gould Schurman, in a speech at Catholic University to-night, counseled the granting of Philippine independence immediately. Doctor Schurman, who was president of the first Philippine Commission, formerly was ambassador to Germany, and, prior to that, minister to China.

He was a member and president of the first Philippine Commission.

In his opinion, both the House and Senate bills provide for too long a waiting period. He replied to frequently expressed fears that Japan would annex the Philippines, once they achieved independence, by stating that in 1925, while minister to China, he "observed that the goal of Japanese expansion had shifted to the west."

Doctor Schurman said there should be a short period of preparation for independence, but, with that allowed, ventured the opinion that "the Filipinos could, as a matter of fact, govern themselves better than the Americans could govern them."

I shall not read the balance of the article. I offer it for the RECORD, and ask that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. The senior Senator from Louisiana, however, responding to the question which was asked by the Senator from Idaho [Mr. BORAH], suggested that if there be an amendment made of 10 years, we couple with that a provision that after the third year we begin the graduated tariff, just as the Senate amendment proposes to begin it after the 10 years' time.

I am not set on 8 years, nor 7 years, nor 6 years, nor 5 years. I frankly expect at this time, if the matter comes to a vote, to vote for the substitute that is offered by the Senator from Utah [Mr. KING]. It seems to me, however, that in order to carry this bill into a conference with the House, and accomplish the purpose set forth by the Senator from Idaho [Mr. BORAH], we could agree to a 9-year or a 10-year or an 8-year limitation in the time for independence, and couple with that a graduated tariff, beginning, if it is an 8-year period, after the four years; or, if it is a 10-year period, after the five years.

I am sure I should be willing to vote for that, and I believe most of those who entertain the views that I do would be willing to do so.

The article from the New York Times, which was ordered printed in the RECORD at the conclusion of Mr. Long's remarks, is as follows:

[From the New York Times of Tuesday, December 13, 1932]
FOR INDEPENDENCE AT ONCE—DOCTOR SCHURMAN, IN WASHINGTON ADDRESS, URGES PHILIPPINE ACTION

WASHINGTON, December 12.—Jacob Gould Schurman, in a speech at Catholic University to-night, counseled the granting of Philippine independence immediately. Doctor Schurman, who was president of the first Philippine Commission, formerly was ambassador to Germany, and prior to that minister to China.

In his opinion, both the House and Senate bills provide for too long a waiting period. He replied to frequently expressed fears that Japan would annex the Philippines, once they achieved independence, by stating that in 1925, while minister to China, he "observed that the goal of Japanese expansion had shifted to the west."

Doctor Schurman said there should be a short period of preparation for independence, but, with that allowed, ventured the opinion that "the Filipinos could, as a matter of fact, govern themselves better than the Americans could govern them."

SAYS THE HOUR HAS ARRIVED

"The hour has arrived for the independence of the Philippines," he went on. "I always thought it would come within one generation. I always scouted the idea it must be delayed for more than a generation."

"The reason why 33 years under American tutelage is sufficient is that by intensive training in the schools and by ever-increasing experience in government it has been possible for us to fit the first generation of Filipinos under our sovereignty for the exercise of independent and sovereign government as well as we could ever fit any subsequent generation."

"Whoever proposes a longer term than the lifetime of one generation to prepare the Filipinos for independence must, if he is honest, explain why the generation of 1933 to 1956, or that of 1967 to 2000, will be more capable of the great task than the generation of 1900 to 1932, which has been so highly favored both by American training and by Filipino encouragement and example."

Speaking of the bills now before the Senate, Doctor Schurman said:

"I think the interval between the date of congressional legislation and the final consummation of independence too long in both bills. I find no precedent for the delay proposed."

"Secondly, I see no need of more than one vote in the Philippines on the question of independence. When the Philippine constitutional convention has finished the drafting of a constitution for the Republic of the Philippine Islands, the Philippine people, in voting upon its adoption, could, at the same time, if anything more is needed, also vote affirmatively or negatively on the question: Should the Philippine Islands be independent? I do not myself think this additional question necessary, as the adoption of the constitution would itself indicate that the voters favored independence."

"Thirdly, I venture to express the hope that in our last official dealings with our Philippine wards we shall treat them not only with consideration but with generosity; in all cases of doubt to let the decision go in favor of the weaker and poorer people. Magnanimity is often a better policy than sharp bargaining. A great republic and narrow minds and small hearts go ill together."

"I want the future sovereign and independent Philippine nation to think well of America—to cherish for us genuine esteem and appreciation. I covet their good opinion for my country. I hope they will report us well in Asia."

Mr. TYDINGS. Mr. President, do I understand that the Senator would be willing to vote for an 8-year period, followed by a 4-year tariff period and a 1-year plebiscite provision?

Mr. LONG. Yes, sir.

Mr. TYDINGS. I have an amendment pending to substitute 10 years in place of 8.

Mr. LONG. When does the Senator put on the plebiscite?

Mr. TYDINGS. One year after that.

Mr. LONG. I think we ought to have the plebiscite before we start in on the tariff.

Mr. TYDINGS. Let me make my suggestion.

Mr. LONG. Very well.

Mr. TYDINGS. I understand that the Senator from New Mexico [Mr. CUTTING] and the Senator from Missouri [Mr. HAWES] are trying to arrange an amendment to keep the bill in substantially the same shape and reduce the time, which the Senator from New Mexico will shortly state to the Senate. That being the case, I have no disposition to press my amendment. I shall be for that substitute proposition, and I hope it will meet with the wishes of all those who want a shorter time but who want the bill carried out in substantially the way the committee has suggested.

Mr. LONG. Then the Senator means to withdraw his amendment to the amendment?

Mr. TYDINGS. Yes.

Mr. LONG. As I understand, Mr. President, the Senator from Maryland withdraws his proposal to amend the amendment of the Senator from Louisiana.

The VICE PRESIDENT. Does the Senator from Maryland withdraw his amendment?

Mr. TYDINGS. I do.

The VICE PRESIDENT. Without objection, that order will be made.

Mr. LONG. Mr. President, just a word.

I have not answered the supplementary speeches which have been made to-day by the Senator from Nevada [Mr. PITTMAN] and the Senator from Missouri [Mr. HAWES] on sugar and coconut oil. I think I did answer them yesterday. I am going to take not over half a minute.

Those matters have been disposed of. We have tears for those immediately present as well as for those 10,000 miles away. When the great human heart has become fully awakened in the bosom of the magnificent representatives that the world has furnished us from Missouri and Nevada, we are hoping that tears may fall for the cotton farmer and for the cane farmer and for the man grazing cattle in the United States as well as for his more prosperous neighbor at this time in the Philippine Islands.

Mr. SMOOT. Mr. President, during the discussion of this question from the first day until to-day the impression has been left that the question of sugar involves only ownership by Americans; that it is only American money that is invested over there in the sugar business.

That is not true. I want to say that in the Philippines the Filipinos own 50 per cent of the investment in sugar, or \$41,500,000. Americans have invested there only \$21,500,000, or 26 per cent, slightly over one-half what the Filipinos have invested themselves in connection with citizens of other countries. Then the Spanish people alone have \$19,000,000 invested there, which is 23 per cent of the whole, or nearly as much as the American people have invested in sugar in the Philippine Islands. Then there are a number of very small mills, cosmopolitan in nature. They have 1 per cent, or \$500,000. In other words, there is invested in sugar in the Philippine Islands \$82,500,000. Of that, American money represents only \$21,500,000.

Whatever advantage is given here in this sugar situation and whatever provision is made in this bill, remember this: That the great bulk of the advantage does not come to American investors; it goes to Spanish people, who made among the very first investments made in the Philippine Islands. Whatever advantage is given in this bill, we are giving the Spanish people that advantage.

I understand that a great deal of the money invested in the Philippines is Spanish money, loaned to the Philippine people for the very purpose of establishing a sugar industry in those islands. So that I think that if we pass this bill and grant the 18 years spoken of now we will give at least half the advantage to Spanish people who are interested in the production of sugar in the Philippine Islands.

Mr. HAWES. Mr. President, will the Senator yield?

Mr. SMOOT. I yield.

Mr. HAWES. I do not desire to discuss sugar to-day, because that may come up at another time. We were on the subject of limitations.

Mr. SMOOT. But the Senator did discuss it, and I am just answering now what he said in relation to it. I had no intention of saying a word about sugar, and would not have done so except in answer to what the Senator stated.

Mr. HAWES. I repeat my statement, Mr. President, that the result of taking the action proposed would be to cut down by one-half the revenue coming into the Philippines, and, of course, that would be a serious—perhaps a fatal—economic injury to the Philippine people. As to who owns the sugar factories over there, I do not know, but I will put in the RECORD to-morrow a statement in regard to the matter.

Mr. SMOOT. I have taken the figures from the Philippine statement. I do not take them from our own department. This is what the Philippine report itself says.

Mr. HAWES. Mr. President, the distinguished senior Senator from Idaho [Mr. BORAH] asked a very pertinent question a while ago, and I was inclined to answer it directly, but I thought it was only fair to my colleagues to consult with them before giving a definite expression.

I have talked with the Senator from New Mexico [Mr. CUTTING], the Senator from Nevada [Mr. PITTMAN], and other Senators in the Chamber, and we have agreed that after the amendment of the Senator from Louisiana shall have been disposed of—and I hope it will be disposed of soon—we will introduce an amendment providing for a period of eight years and four years, so that the bill can go to conference carrying those limitations in it, which we think would be fair or at least it would permit the conferees to work the problem out on one theory or the other.

Mr. WALSH of Massachusetts. Mr. President, will the amendment retain the plebiscite feature?

Mr. HAWES. I understand that there is a suggestion to change the time of holding the plebiscite from the end to the beginning of the period. I am not prepared to accept this view. We are preparing an amendment now, and it will be presented to the Senate after we dispose of the amendment of the Senator from Louisiana [Mr. BROUSSARD].

Mr. LONG. As I understand it, the amendment is going to be to provide for a period of 10 years?

Mr. HAWES. No; eight years. Eight and four.

Mr. LONG. I do not know how the senior Senator from Louisiana looks on it, but as I understood what my colleague stated on the floor, I think that that would be about what would suit him. There is no need, then, for further argument from our side on that point, if it is an 8-year proposition, with the plebiscite coming in the front instead of after the period.

Mr. DICKINSON. Mr. President, I desire to offer an amendment to the Broussard amendment, on line 2, to strike out the word "eight" and insert in lieu thereof the word "five."

My reason for that is the fact that it has been stated on the floor of the Senate numerous times that people who began studying this bill began with the 5-year period in mind. I have offered amendments, which are now on the table, which arrange the tonnage with a proper step-up and a proper tonnage limitation, so that we could put it in and make it adjustable to the 5-year period.

If the 5-year period is not accepted, then I expect to offer an amendment here which will do exactly the same thing the 8-year-period provision would do with reference to the tariff differential and the tonnage step-up.

That being the case, I should like to see the 5-year-period amendment passed on and get the view of the Senate in regard to it.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. LONG. I know the Senator from Iowa desires the enactment of a bill to free the Philippines as badly as we do. If we can get together on a compromise such as the one which has been suggested, or something along those lines, would not the Senator feel like going along with that compromise, so that we might get a bill passed?

Mr. DICKINSON. I am not for a compromise on any 12-year period.

Mr. LONG. As I understood, the proposal was for an 8-year period.

Mr. DICKINSON. No; it is for an 8-year period, and then the differential starts in and there would be a 4-year period, making 12 years altogether.

Mr. BROUSSARD. Mr. President, in order that my position may not be misunderstood by reason of what has been said on the floor, I wish to say that 8 and 4 mean a 12-year period. It does not mean an 8-year period. I am opposed to a 12-year period. I proposed eight years, and I shall insist that my amendment be acted on.

Mr. PITTMAN. Mr. President, a great deal of unnecessary conversation would be stopped if we would wait a few minutes so that we could have before us an amendment which is being prepared to be offered by the proponents

of the bill. When the exact wording of it has been agreed upon, we will know exactly what is meant, and those opposed to it can vote against it and those in favor of it for it. I think that in a few minutes it will be drafted and ready to be offered.

Mr. DICKINSON. Mr. President, if that is the feeling of the committee, I do not believe the Broussard amendment ought to be disposed of until after the committee amendment is presented, so that we will know what it is and what it contains.

Mr. PITTMAN. I think the orderly procedure would be to find out what the proponents of the bill are going to offer in attempting to meet some of the suggestions as to the reductions in time and yet maintain the philosophy of the bill.

Mr. KING. Mr. President, I think that, in view of the statement just made by the able Senator from Nevada, we ought to take a recess for about 10 minutes, in order that the amendment may be perfected and submitted for our consideration. I therefore move that the Senate take a recess for 10 minutes.

Mr. McNARY. Mr. President—

The VICE PRESIDENT. The motion is not debatable.

Mr. McNARY. Will not the Senator yield to me?

Mr. KING. I submit that the motion is not debatable.

The VICE PRESIDENT. It is not debatable, if the Senator declines to yield for a question.

Mr. McNARY. Will the Senator withhold his motion for a moment?

Mr. KING. I withhold the motion.

Mr. BARKLEY. Mr. President, I make the point of order that a quorum is not present.

The VICE PRESIDENT. The Senator did not yield for that purpose.

Mr. BARKLEY. Will the Senator from Utah yield to me?

The VICE PRESIDENT. The Senator from Oregon has the floor.

Mr. KING. I yielded for a question, as I understood.

Mr. McNARY. I was going to suggest to the able Senator from Utah that probably his object could be accomplished if he would yield to me. I desire to move an executive session.

Mr. KING. I did not yield for that purpose.

The VICE PRESIDENT. The Senator declines to yield. The question is on the motion of the Senator from Utah that the Senate take a recess for 10 minutes. [Putting the question.] The yeas have it, and the Senate declines to take a recess.

Mr. BARKLEY. Mr. President, I make the point of order that a quorum is not present.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Johnson	Robinson Ark.
Austin	Cutting	Kean	Robinson, Ind.
Bailey	Dale	Kendrick	Schall
Bankhead	Davis	Keyes	Schuyler
Barbour	Dickinson	King	Sheppard
Barkley	Dill	La Follette	Shipstead
Bingham	Fess	Lewis	Shortridge
Black	Frazier	Logan	Smoot
Blaine	George	Long	Steiwer
Borah	Glass	McGill	Swanson
Bratton	Glenn	McKellar	Thomas, Okla.
Broussard	Goldsborough	McNary	Townsend
Bulkeley	Gore	Metcalf	Trammell
Bulow	Grammer	Moses	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Nye	Walcott
Carey	Hatfield	Oddie	Walsh, Mass.
Cohen	Hawes	Patterson	Walsh, Mont.
Connally	Hayden	Pittman	Watson
Coolidge	Howell	Reed	White
Costigan	Hull	Reynolds	

Mr. WALSH of Montana. I desire to announce that my colleague the junior Senator from Montana [Mr. WHEELER] is absent on account of illness.

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. McNARY. Mr. President, I now move that the Senate proceed to the consideration of executive business.

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate take a recess until 12 o'clock noon to-morrow.

The VICE PRESIDENT. The motion to take a recess has precedence. The question is on the motion of the Senator from Arkansas that the Senate take a recess until 12 o'clock noon to-morrow. [Putting the question.] The Chair is in doubt.

Mr. McNARY. I demand the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The clerk will call the roll.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent to make a brief statement.

The VICE PRESIDENT. Without objection, the Senator from Arkansas is recognized.

Mr. ROBINSON of Arkansas. I have just been advised that during the day a Member of the House of Representatives has departed this life and that it is desired by the senior Senator from Texas [Mr. SHEPPARD] to present a resolution in connection with the death of the Member of the House. I ask unanimous consent that all proceedings on the motion of both the Senator from Oregon and the Senator from Arkansas be vacated in order that that may be done.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. McNARY. Mr. President, in view of the statement made by the Senator from Arkansas that a recess is desired out of respect to the memory of the deceased Congressman, in order that we may take such a recess I shall not persist in my motion for an executive session; but I give notice now that to-morrow at the very earliest opportunity I shall renew my motion that the Senate proceed to the consideration of executive business.

Mr. ROBINSON of Arkansas. Mr. President, in view of the notice given by the Senator from Oregon, I think I should feel at liberty to give notice that I shall resist to the fullest extent the motion which the Senator from Oregon has given notice he will make.

Mr. HAWES and Mr. CUTTING submitted an amendment intended to be proposed by them to the pending bill, which was ordered to lie on the table and to be printed.

DEATH OF REPRESENTATIVE GARRETT, OF TEXAS

Mr. SHEPPARD. Mr. President, it becomes my sad duty to announce the death of Hon. DANIEL E. GARRETT, a Representative from the State of Texas. At a later time I shall ask the Senate to pay fitting tribute to his memory. At the present time I offer the resolutions which I send to the desk, and ask unanimous consent for their immediate consideration.

The resolutions (S. Res. 304) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. DANIEL E. GARRETT, late a Representative from the State of Texas.

Resolved, That a committee of nine Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Under the second resolution the Vice President appointed as the committee on the part of the Senate the senior Senator from Texas [Mr. SHEPPARD], the junior Senator from Texas [Mr. CONNALLY], the senior Senator from North Dakota [Mr. FRAZIER], the senior Senator from Minnesota [Mr. SHIPSTEAD], the senior Senator from New Mexico [Mr. BRATTON], the junior Senator from Minnesota [Mr. SCHALL], the senior Senator from Kentucky [Mr. BARKLEY], the junior Senator from Georgia [Mr. COHEN], and the junior Senator from North Carolina [Mr. REYNOLDS].

Mr. SHEPPARD. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate do now take a recess until to-morrow at 12 o'clock meridian.

RECESS

The motion was unanimously agreed to; and (at 4 o'clock and 5 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, December 14, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, DECEMBER 13, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Strong Son of God, Thou who art the fountain of life and the light of the world, we turn again to Thee. We pray for the blessing of Thy truth and wisdom. Our natures are not stiffened into permanence; they are open to receive the divine urge. We pray for the supremely blessed agencies of life. Do Thou endow us for the wisest possible service for our country. Thy merciful arm is not shortened nor is Thine ear closed; do Thou harken and heed our prayer. Our yearning spirits, our lasting hopes, our quivering faith in silence look up to Thee. This day be with us and make the conquest complete and victorious. Bless all hearthstones where human hearts are crushed and where love lies bleeding because of sorrow, failure, and disappointment. O be with them all as the angel of consolation. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 503. Joint resolution authorizing the payment of salaries of the officers and employees of Congress for December, 1932, on the 20th day of that month.

GOVERNMENT COMPETITION WITH PRIVATE ENTERPRISE

Mr. POUL. Mr. Speaker, I call up House Resolution 312 and ask its immediate consideration.

The Clerk read the resolution (H. Res. 312), as follows:

Resolved, That the special committee appointed pursuant to the authority of House Resolution 235 for the purpose of investigating Government competition with private enterprise shall report to the House not later than January 25, 1933, in lieu of December 15, 1932, the date specified in such resolution.

The resolution was agreed to.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BANKHEAD. Mr. Speaker, I call up House Resolution 314.

The Clerk read the resolution, as follows:

Resolved, That in the consideration of the bill H. R. 13520 all points of order on sections 2 to 8, both inclusive, shall be considered as waived.

Mr. BANKHEAD. Mr. Speaker, does the gentleman from Indiana desire to make some agreement with reference to debate on this resolution?

Mr. PURNELL. I would like to have 10 minutes in order to yield to the gentleman from New York [Mr. LaGUARDIA], who has requested that time.

Mr. BANKHEAD. We will be willing to yield the gentleman such time as he may desire of the usual 20 minutes.

Mr. PURNELL. I only have a request for 10 minutes to yield to the gentleman from New York [Mr. LaGUARDIA]. We are not opposing the resolution.

Mr. BANKHEAD. We will be glad to yield the gentleman that time.

I ask for recognition, Mr. Speaker.

The SPEAKER. The gentleman from Alabama.

Mr. BANKHEAD. Mr. Speaker, I think it is probable that the entire membership may be familiar with the purposes and origin of the request for this rule. It will be recalled when we first began consideration of the pending bill that the chairman of the committee, the gentleman from Ten-